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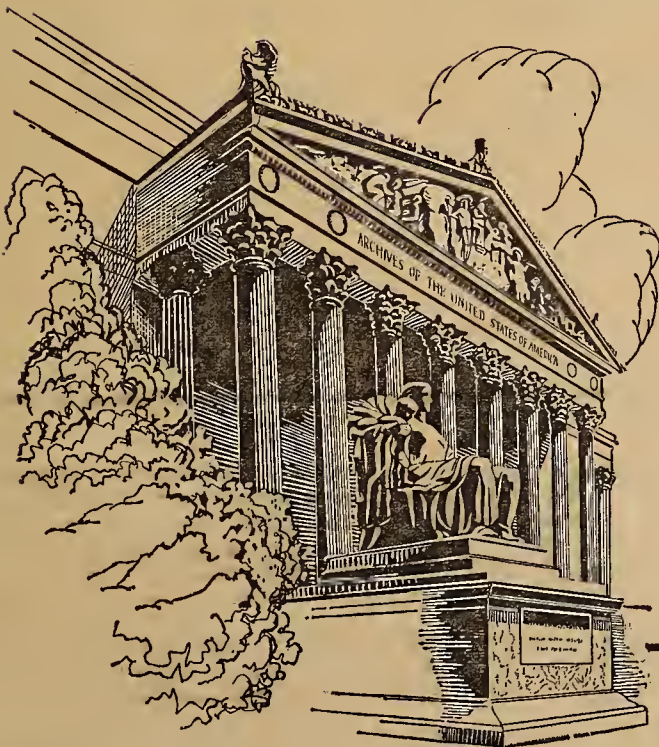
PART I

(Part II begins on page 15505)

Agencies in this issue—

The Congress
Agricultural Research Service
Agricultural Stabilization and
Conservation Service
Agriculture Department
Atomic Energy Commission
Civil Aeronautics Board
Civil Service Commission
Commodity Credit Corporation
Consumer and Marketing Service
Federal Communications Commission
Federal Housing Administration
Federal Maritime Commission
Federal Power Commission
Federal Reserve System
Fish and Wildlife Service
Housing and Urban Development
Department
Interior Department
Interstate Commerce Commission
Land Management Bureau
Maritime Administration
Mines Bureau
Securities and Exchange Commission
Small Business Administration
Social and Rehabilitation Service

Detailed list of Contents appears inside.



Volume 81

UNITED STATES

STATUTES AT LARGE

[90th Cong., 1st Sess.]

Contains laws and concurrent resolutions enacted by the Congress during 1967, reorganization plans, the twenty-fifth amendment to the Constitution, and Presidential proclamations. Also included are: a subject index, tables

of prior laws affected, a numerical listing of bills enacted into public and private law, and a guide to the legislative history of bills enacted into public law.

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Contents

THE CONGRESS

Acts approved----- 15501

EXECUTIVE AGENCIES

AGRICULTURAL RESEARCH SERVICE

Notices

Organization, authorities, and responsibilities ----- 15485

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

Proposed Rule Making

Tobacco, flue-cured; determinations regarding marketing quotas on acreage-poundage basis for 1969-70 marketing year----- 15481

AGRICULTURE DEPARTMENT

See also Agricultural Research Service; Agricultural Stabilization and Conservation Service; Commodity Credit Corporation; Consumer and Marketing Service.

Notices

North Carolina; designation of area for emergency loans----- 15487

ATOMIC ENERGY COMMISSION

Notices

Sacramento Municipal Utility District; issuance of provisional construction permit----- 15487

CIVIL AERONAUTICS BOARD

Notices

Hearings, etc.:

Cable Flying Service, Inc----- 15488
Eureka Aero Industries----- 15488
Ross Aviation, Inc----- 15489
Sedalia, Marshall, Boonville Stage Line, Inc----- 15489

CIVIL SERVICE COMMISSION

Rules and Regulations

Pay; authorization of hazard pay differential; correction----- 15471

COMMERCE DEPARTMENT

See Maritime Administration.

COMMODITY CREDIT CORPORATION

Rules and Regulations

Cooperative marketing associations; eligibility requirements for price support; member associations ----- 15475

Notices

Livestock feed program; designation of emergency area----- 15486
Price support programs; 1964 and subsequent crops; announcement of interest rate----- 15487

CONSUMER AND MARKETING SERVICE

Rules and Regulations

Meat inspection, post-mortem; organs and parts and identifying devices to be held pending final inspection of carcasses----- 15475

Milk handling in certain marketing areas:

Central Arkansas; suspension of certain provision----- 15474

Red River Valley; order amending order----- 15473

Oranges, Navel, grown in Arizona and California; handling----- 15471

Proposed Rule Making

Lamb, yearling mutton, and mutton carcasses and slaughter lambs, yearlings, and sheep; standards for grades; extension of time----- 15482

FEDERAL COMMUNICATIONS COMMISSION

Notices

Overseas facilities; inquiry into use of multichannel equipment ----- 15492

Hearings, etc.:

Bluegrass Broadcasting Co., Inc ----- 15490

Jackson Missouri Broadcasting Co. and Mattoon Broadcasting Co. (WLBH) ----- 15490

Multi-Channel Cable Co----- 15491

FEDERAL HOUSING ADMINISTRATION

Rules and Regulations

Property improvement loans; Class 1 and Class 2; miscellaneous amendments ----- 15478

FEDERAL MARITIME COMMISSION

Notices

Agreements filed for approval:

American President Lines, Ltd., and Nam Sung Shipping Co., Ltd ----- 15493

Australia, New Zealand and South Sea Islands Pacific Coast Conference----- 15493

Federal New Zealand Lines Joint Service----- 15493

FEDERAL POWER COMMISSION

Notices

Hearings, etc.:

Arkansas Louisiana Gas Co----- 15496

Clinton Oil Co. et al----- 15494

Consolidated Gas Supply Corp-- 15496

Getty Oil Co. et al----- 15495

Taloga, Okla., town of, and Panhandle Eastern Pipeline Co-- 15497

FEDERAL RESERVE SYSTEM

Proposed Rule Making

Truth in lending----- 15506

FISH AND WILDLIFE SERVICE

Notices

Aparicio Bros.; hearing----- 15484

HEALTH, EDUCATION, AND WELFARE DEPARTMENT

See Social and Rehabilitation Service.

HOUSING AND URBAN DEVELOPMENT DEPARTMENT

See also Federal Housing Administration.

Notices

Acting Assistant Regional Administrator for Renewal Assistance, Region I (New York); designation ----- 15487

INTERIOR DEPARTMENT

See also Fish and Wildlife Service; Land Management Bureau; Mines Bureau.

Notices

Report of appointment and statements of changes in financial interests:

Beck, Howard A----- 15484

Broaddus, James S----- 15484

Hieronymus, John W----- 15484

Holland, Henry K----- 15484

Hrubesky, George F----- 15484

Peckheiser, Harry J----- 15485

Sewell, Kenneth I----- 15485

Timme, E. F----- 15485

Welch, Edward W----- 15485

INTERSTATE COMMERCE COMMISSION

Notices

Fourth section applications for relief ----- 15499

Motor carriers:

Temporary authority applications ----- 15499

Transfer proceedings----- 15501

LAND MANAGEMENT BUREAU

Notices

Lands and resources; redelegation of authority; correction----- 15484

MARITIME ADMINISTRATION

Notices

United States Lines, Inc.; application for approval of cruises---- 15487

MINES BUREAU

Rules and Regulations

Purchase of helium by Federal agencies and their contractors-- 15478

(Continued on next page)

**SECURITIES AND EXCHANGE
COMMISSION****Notices***Hearings, etc.:*

Caribbean Capital Corp.....	15497
Delmarva Power & Light Co..	15497
Mississippi Power Co.....	15498
Paramount General Corp.....	15498
Technical Fund, Inc.....	15498

**SMALL BUSINESS
ADMINISTRATION****Rules and Regulations**

Administration; list of public-use SBA forms.....	15475
Small business size standards; def- inition of small business concern for purpose of sales of Govern- ment-owned timber.....	15477

**SOCIAL AND REHABILITATION
SERVICE****Proposed Rule Making**

Grants for expansion and devel- opment of undergraduate and graduate programs in social work	15482
---	-------

List of CFR Parts Affected

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published in today's issue. A cumulative list of parts affected, covering the current month to date, appears at the end of each issue beginning with the second issue of the month.

A cumulative guide is published separately at the end of each month. The guide lists the parts and sections affected by documents published since January 1, 1968, and specifies how they are affected.

5 CFR

550.....	15471
----------	-------

7 CFR

907.....	15471
1104.....	15473
1108.....	15474
1425.....	15475

PROPOSED RULES:

53.....	15482
725.....	15481

9 CFR

310.....	15475
----------	-------

12 CFR

PROPOSED RULES:	
226.....	15506

13 CFR

101.....	15475
121.....	15477

24 CFR

201.....	15478
----------	-------

30 CFR

2.....	15478
--------	-------

45 CFR

PROPOSED RULES:	
280.....	15482

Rules and Regulations

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission PART 550—PAY ADMINISTRATION (GENERAL)

Authorization of Hazard Pay Differential

Correction

In F.R. Doc. 68-12332 appearing at page 15199 of the issue for Friday, October 11, 1968, in § 550.904(b) (2), line 3, preceding the word "the" insert the word "that".

Title 7—AGRICULTURE

Chapter IX—Consumer and Marketing Service (Marketing Agreements and Orders; Fruits, Vegetables, Nuts), Department of Agriculture

PART 907—NAVEL ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

Order Amending the Order, as Amended, Regulating Handling

§ 907.0 Findings and determinations.

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations made in connection with the issuance of the order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), and the applicable rules of practice and procedure effective thereunder (7 CFR Part 900), a public hearing was held at Bakersfield, Calif., on March 25, 26, and 27, 1968, and continued at Phoenix, Ariz., on March 29, 1968, upon proposed amendments to the marketing agreement, as amended, and Order No. 907, as amended (7 CFR Part 907), regulating the handling of Navel oranges grown in Arizona and designated part of California. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The said order, as amended, and as hereby further amended, regulates the handling of Navel oranges grown in the

designated production area in the same manner as, and is applicable only to persons in the respective classes of commercial or industrial activity specified in, the marketing agreement and order upon which hearings have been held;

(3) The said order, as amended, and as hereby further amended, is limited in its application to the smallest regional production area that is practicable consistently with carrying out the declared policy of the act;

(4) The said order, as amended, and as hereby further amended, prescribes, so far as practicable, such different terms, applicable to different parts of the production area, as are necessary to give due recognition to differences in the production and marketing of Navel oranges; and

(5) All handling of Navel oranges grown in the designated production area is in the current of interstate or foreign commerce or directly burdens, obstructs, or affects such commerce.

(b) *Additional findings.* It is hereby found, on the basis hereinafter indicated that good cause exists for making the provisions of this amendatory order effective not later than November 1, 1968, and that it would be contrary to the public interest to postpone such effective date until 30 days after publication (5 U.S.C. 553). The provisions of this order enlarge the production area, redefine the prorate districts, and effect changes in the allotment provisions. The fiscal period and the new season begins November 1, 1968, and the effective time of the provisions of this amendment should coincide with this date so that regulatory and other activity may be applicable to the enlarged area and on the basis of the redefined prorate districts in accordance with such provisions. The provisions of this order are well known to producers and handlers. The hearing in connection therewith was held at Bakersfield, Calif., on March 25, 26, and 27, 1968, and continued at Phoenix, Ariz., on March 29, 1968, and the recommended decision and the final decision were published in the FEDERAL REGISTER on July 31, 1968 (33 F.R. 10867), and October 2, 1968 (33 F.R. 14710), respectively. Copies of the provisions of the amendatory order were made available to all known interested parties, and compliance with such provisions will not require advance preparation on the part of persons subject thereto which cannot be completed prior to the effective time specified.

(c) *Determinations.* It is hereby determined that:

(1) The agreement amending the marketing agreement, as amended, regulating the handling of Navel oranges grown in the designated production area, upon which the aforesaid public hearing was held, has been signed by handlers (excluding cooperative associ-

ations of producers who were not engaged in processing, distributing, or shipping the oranges covered by this order) who, during the period November 1, 1966, through October 31, 1967, handled not less than 80 percent of the oranges covered by said order, as amended, and as hereby further amended;

(2) The issuance of this order, amending the aforesaid order, is favored or approved by at least three-fourths of the producers who participated in a referendum on the question of its approval and who, during the determined representative period (Nov. 1, 1966, through Oct. 31, 1967) were engaged within the area in the production for market of the oranges covered by the said order, as amended, and as hereby further amended; and

(3) The issuance of this order, amending the aforesaid order, is favored or approved by producers who, during the aforesaid representative period, produced for market at least two-thirds of the volume of Navel oranges produced for market within the designated production area.

It is, therefore, ordered, That, on and after the effective date hereof, all handling of Navel oranges grown in the production area shall be in conformity to, and in compliance with, the terms and conditions of the said order, as amended, and as hereby further amended as follows:

1. The provisions of § 907.4 *Production area* are amended to read as follows:

§ 907.4 Production area.

"Production area" means the State of Arizona and that part of the State of California south of a line drawn due east and west through the present post office in Red Bluff, Calif.

2. The provisions of § 907.20 *Establishment and membership* are revised so that the first sentence reads as follows:

§ 907.20 Establishment and membership.

There is hereby established a Navel Orange Administrative Committee consisting of 11 members, for each of whom there shall be one alternate, and for each grower member an additional alternate. * * *

§ 907.22 [Amended]

3. The provisions of § 907.22 *Nominations* are amended in the following respects:

a. Paragraph (a) is amended to read as follows:

(a) The time and manner of nominating members, alternate members, and additional alternate members of the committee shall be prescribed by the Secretary.

b. Paragraph (b) is amended by inserting the phrase "three additional alternate grower members" immediately

after the phrase "three alternate grower members."

c. Paragraph (c) is amended to read as follows:

(c) All cooperative marketing organizations which market oranges and which are not qualified under paragraph (b) of this section, or growers affiliated therewith, shall nominate one grower member, one alternate grower member, one additional alternate grower member, one handler member, and one alternate handler member.

d. Paragraph (d) is amended to read as follows:

(d) All growers who are not affiliated with a cooperative marketing organization which markets oranges shall nominate two grower members, two alternate grower members, two additional grower members, one handler member, and one alternate handler member.

4. The provisions of § 907.23 *Selection* are revised to read as follows:

§ 907.23 Selection.

From the nominations made pursuant to § 907.22(b) or from other qualified growers and handlers, the Secretary shall select three grower members of the committee, an alternate and an additional alternate to each of such grower members; also two handler members of the committee and an alternate to each of such handler members. From the nominations made pursuant to § 907.22 (c) or from other qualified growers and handlers the Secretary shall select one grower member of the committee, an alternate and an additional alternate to such grower member; also one handler member of the committee and an alternate to such handler member. From the nominations made pursuant to § 907.22 (d) or from other qualified growers and handlers the Secretary shall select two grower members of the committee, an alternate and an additional alternate to each of such grower members; also one handler member of the committee and an alternate to such handler member. From the nominations made pursuant to § 907.22(f) or from other qualified persons the Secretary shall select one member of the committee and an alternate to such member.

§ 907.27 [Amended]

5. The provisions of § 907.27 *Alternate member* are revised so that the proviso in the first sentence reads as follows: *Provided*, That a member may designate any alternate member to serve in the place and stead of such member, if the alternate member so designated was selected from the same group which was authorized to nominate the member; unless another alternate member is so designated by a grower member, his alternate shall act for the member and, in the absence of such alternate, the alternate shall so act, and in his absence the additional alternate shall so act.

6. The provisions of paragraph (a) § 907.42 *Accounting* are revised to read as follows:

§ 907.42 Accounting.

(a) If, at the end of a fiscal year, the assessments collected are in excess of ex-

penses incurred, such excess shall be accounted for in accordance with one of the following:

(1) If such excess is not retained in a reserve or used to defray necessary expenses of liquidation, as provided in subparagraph (2) of this section, it shall be refunded proportionately to the persons from whom it was collected: *Provided*, That any sum paid by a person in excess of his pro rata share of the expenses during any fiscal year may be applied by the committee at the end of such fiscal year to any outstanding obligations due the committee from such person.

(2) The Committee, with the approval of the Secretary, may establish and maintain during one or more fiscal years an operational monetary reserve in an amount not to exceed approximately one half of a fiscal year's operational expenses. Upon approval of the Secretary, funds in such reserve shall be available for use by the committee (1) for all expenses authorized pursuant to § 907.40 and (2) to cover necessary expenses of liquidation in the event of termination of this part. Upon termination of this part, any funds not required to defray the necessary expenses of liquidation shall be disposed of in such manner as the Secretary may determine to be appropriate: *Provided*, That to the extent practical, such funds shall be returned pro rata to the persons from whom such funds were collected.

* * * * *

§ 907.51 [Amended]

7. The provisions of § 907.51 *Recommendation for volume regulations* are revised in the following respects:

a. The first sentence of paragraph (b) to the colon is revised to read as follows:

(b) In making its recommendation, the committee shall provide equity of marketing opportunity to handlers in all districts and shall give due consideration to the following factors:

b. A new paragraph (d) is added reading as follows:

(d) The committee shall, with the approval of the Secretary, adopt procedural rules and regulations to effectuate the provisions of this § 907.51.

8. The provisions of § 907.53 *Prorate bases* are revised by redesignating paragraphs (f) and (g) as paragraphs (g) and (h), respectively, and adding a new paragraph (f) reading as follows:

§ 907.53 Prorate bases.

* * * * *

(f) When any person having a prorate base has moved all his oranges or has remaining a quantity smaller than his allotment, he shall be removed from the prorate base or his prorate base shall be reduced so that his allotment based thereon shall not exceed the quantity of oranges remaining under his control; except that he shall receive his allotments on his full prorate base to the extent necessary to pay back loans for which he is obligated in any week that repayment of loans may be due.

* * * * *

§ 907.55 [Amended]

9. Section 907.55 *Overshipments* is amended in the following respects:

a. The phrase "equivalent to 10 percent" in § 907.55 is replaced by the phrase "equivalent to 20 percent."

b. The period at the end of the first sentence of § 907.55 is changed to a colon and the following is added: "*Provided, however*, That the committee may, with the approval of the Secretary, reduce such 20 percent to a percentage not less than 10 percent: *And provided further*, That if, subsequent to the determination of general maturity, allotment (other than short life allotment) is forfeited in any prorate district during any prorate period, such forfeiture shall be used to reduce the amount of maximum permissible overshipments made during such prorate period, unless the forfeiting handler shall have made a bone fide and timely offer to the committee to lend his undershipment. Such forfeitures shall be first applied to handlers within such district in which the forfeiture occurred and second to qualified handlers in other districts. Allocation of forfeitures to handlers who have overshipped shall be made in proportion to, but not in excess of, the quantity overshipped by each such handler. In the case of short life allotments, any forfeiture thereof shall be credited as above provided only against overshipment of allotments issued pursuant to § 907.54. However, no handler who has overshipped more than the maximum permissible under this section shall participate in the credits allowed by this provision."

c. The period at the end of the second sentence in § 907.55 is changed to a comma and the following is added: "or is entirely reduced by application of forfeited allotment."

d. In the third sentence of § 907.55 the following is inserted immediately after the word "section": "as reduced by the application of forfeited allotment."

e. The following new sentence is added at the end of § 907.55: "The committee, with the approval of the Secretary, shall adopt procedural rules and regulations to effectuate the provisions of this § 907.55."

§ 907.57 [Amended]

10. The provisions of § 907.57 *Allotment loans* are revised in the following respects:

a. The first sentences in paragraphs (a) and (b) are revised to read as follows:

(a) A person to whom allotments have been issued under general maturity may lend such allotments to other persons within any prorate district to whom allotments have also been issued: *Provided*, That allotments issued under the short life provision of this subpart may be loaned only to other persons in the same district to whom such allotments have been issued. * * *

(b) A person desiring to loan all or part of his allotment shall attempt to do so first within his own district and if he so chooses, may request the committee to act in his behalf. A person desiring to loan to persons outside his own district

shall request the committee to arrange the loan on his behalf with the committee first offering the loan to persons within the district who file requests for such loans; and failing to do so may then arrange to offer the loan outside of the district in an equitable manner. * * *

b. A new paragraph (f) is added reading as follows:

(f) The committee may, with the approval of the Secretary, adopt procedural rules and regulations to effectuate the provisions of this § 907.57.

§ 907.61 [Amended]

11. The provisions of § 907.61 *Short life allotments* are revised so that the fourth and fifth sentences thereof read as follows: Such determination and allotment issued pursuant thereto shall permit the handling in total during periods of open movement and under volume regulations of a quantity of short life oranges equal proportionately to the average to be handled by all handlers of oranges within the prorate district. After a handler of short life oranges has received allotment sufficient to permit such total handling, allotment thereafter due such handler of short life oranges shall be allocated to handlers from whom allotment has been withheld.

12. A new § 907.61a *Freeze damage allotments* is added immediately after § 907.61, reading as follows:

§ 907.61a Freeze damage allotments.

Notwithstanding the provisions of § 907.54 whenever one or more districts experience severe freeze damage, affecting a substantial portion of the crop within the district, but varying in degree, the committee may issue allotments to each handler in such district based upon requests submitted by handlers, the total allotment to be allocated among the requesting handlers in an equitable manner. Such allotments may be used only during the week for which issued, and the undershipment of such allotments shall not entitle such handler to handle an additional quantity of oranges due to such undershipment. Transfers of allotment if within the district are subject only to the parties notifying the committee. Transfer of allotment between handlers not within the same district shall be by the committee and only between handlers each of whom have been issued allotment pursuant to this section. The committee shall, with approval of the Secretary, adopt rules and regulations to effectuate the provisions of this section.

13. The provisions of § 907.66 *Prorate districts* are revised to read as follows:

§ 907.66 Prorate districts.

For purpose of administration of this part, and in recognition of the fact that there are general differences in maturity and keeping quality of oranges between certain geographical sections of the production area, the production area shall be divided into three prorate districts as follows:

(a) District 1 shall include that part of the State of California which is south of a line drawn due east and west

through the present post office in Red Bluff, Calif., and north of a line drawn due east and west through the present post office in Gorman, Calif., and west of the extension of a line drawn due north and south through the present post office in White Water, Calif., but excluding San Luis Obispo and Santa Barbara Counties.

(b) District 2 shall include that part of the State of California west of a line drawn due north and south through the present post office in White Water, Calif., and south of a line drawn due east and west through the present post office in Gorman, Calif., but including San Luis Obispo and Santa Barbara Counties.

(c) District 3 shall include the State of Arizona and that part of the State of California east of a line drawn due north and south through the present post office in White Water, Calif.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated, October 14, 1968, to become effective November 1, 1968.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 68-12681; Filed, Oct. 17, 1968; 8:47 a.m.]

Chapter X—Consumer and Marketing Service (Marketing Agreements and Orders; Milk), Department of Agriculture

[Milk Order 104]

PART 1104—MILK IN RED RIVER VALLEY MARKETING AREA

Order Amending Order

§ 1104.0 Findings and Determinations.

The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Red River Valley marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order as hereby amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(2) The parity prices of milk, as determined pursuant to section 2 of the

Act, are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(3) The said order as hereby amended, regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial or commercial activity specified in, a marketing agreement upon which a hearing has been held.

(b) *Additional findings.* It is necessary in the public interest to make this order amending the order effective upon FEDERAL REGISTER publication. Any delay beyond that date would tend to disrupt the orderly marketing of milk in the marketing area.

The provisions of the said order are known to handlers. The recommended decision of the Deputy Administrator, Regulatory Programs, was issued September 13, 1968, and the decision of the Under Secretary containing all amendment provisions of this order, was issued September 30, 1968. It is necessary that producers know, at once, that their current deliveries of milk will not determine bases which will affect payments for future deliveries. This order will not change the obligations of any handler for milk purchased from producers. Neither will it change returns to any individual producer until March 1969, when base-excess payments would occur under the present order provisions. The changes effected by the order will require no preparation or alteration in method of operation for handlers. In view of the foregoing, it is hereby found and determined that good cause exists for making this order amending the order effective upon publication in the FEDERAL REGISTER and that it would be contrary to the public interest to delay the effective date of this order for 30 days after its publication in the FEDERAL REGISTER. (Sec. 553 (d), Administrative Procedure Act, 5 U.S.C. 551-559.)

(c) *Determinations.* It is hereby determined that:

(1) The refusal or failure of handlers (excluding cooperative associations specified in section 8c(9) of the Act) of more than 50 percent of the milk, which is marketed within the marketing area, to sign a proposed marketing agreement, tends to prevent the effectuation of the declared policy of the Act;

(2) The issuance of this order, amending the order, is the only practical means pursuant to the declared policy of the Act of advancing the interests of producers as defined in the order as herein amended; and

(3) The issuance of the order amending the order is approved or favored by at least two-thirds of the producers who during the determined representative period were engaged in the production of milk for sale in the marketing area.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the Red River Valley marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended and as hereby amended, as follows:

§§ 1104.17, 1104.18, 1104.65-1104.67, 1104.72 [Revoked]

1. Sections 1104.17, 1104.18, the centerheading "Determination of Base" preceding 1104.65, 1104.65, 1104.66, 1104.67, and 1104.72 are revoked.

2. In § 1104.27(k) subparagraph (3) is revised to read as follows:

§ 1104.27 Duties.

* * *

(k) * * *

(3) On or before the 12th day of each month, the uniform price computed pursuant to § 1104.71, and the butterfat differential computed pursuant to § 1104.73, both for the preceding month.

* * *

3. In § 1104.30, paragraph (a) is revised to read as follows:

§ 1104.30 Reports of receipts and utilization.

* * *

(a) The quantities of skim milk and butterfat contained in milk received from producers;

* * *

4. In § 1104.31, paragraph (a) is revised to read as follows:

§ 1104.31 Reports of payments to producers.

* * *

(a) The total pounds of milk received from each producer and cooperative association, the total pounds of butterfat contained in such milk and the number of days' production represented by the milk received from such producer(s);

* * *

5. Section 1104.60 is revised to read as follows:

§ 1104.60 Producer-handlers.

Sections 1104.40 to 1104.46, 1104.50 to 1104.54, 1104.70 to 1104.74, and 1104.80 to 1104.86, shall not apply to a producer-handler.

6. In § 1104.71, paragraph (f) is revised to read as follows:

§ 1104.71 Computation of uniform prices.

* * *

(f) Subtract not less than four cents nor more than five cents per hundredweight. The results shall be the "uniform price" or "weighted average price" for milk received from producers.

7. Section 1104.74 is revised to read as follows:

§ 1104.74 Location differentials to producers and on nonpool milk.

In making payments to producers pursuant to § 1104.80 for milk received at a pool plant located outside the State of

Texas and more than 40 miles from Wichita Falls, Tex., each handler may deduct for each hundredweight of milk received during the month an amount for plant location as set forth in § 1104.52(a). For the purpose of computations pursuant to §§ 1104.82 and 1104.83, the weighted average price shall be adjusted at the rate set forth in § 1104.52(a) which is applicable at the location of the nonpool plant from which the milk was received.

8. In § 1104.80(a), subparagraph (2) is revised to read as follows:

§ 1104.80 Time and method of payment for producer milk.

(a) * * *

(2) On or before the 15th day of the following month, an amount equal to not less than the applicable uniform price adjusted by the butterfat and location differentials to producers multiplied by the hundredweight of milk received from such producer during the month, subject to the following adjustments:

(i) Less payments made to such producer pursuant to subparagraph (1) of this paragraph, (ii) less marketing service deductions made pursuant to § 1104.85, (iii) plus or minus adjustments for errors made in previous payments made to such producer, and (iv) less proper deductions authorized in writing by such producer: *Provided*, That if by such date such handler has not received full payment pursuant to § 1104.83, he may reduce pro rata his payments to producers by not more than the amount of such underpayment. Payments to producers shall be completed thereafter not later than the date for making payments pursuant to this paragraph next following after the receipt of the balance due from the market administrator.

* * *

9. In § 1104.80(b) (1), subdivision (ii) is revised to read as follows:

§ 1104.80 Time and method of payment for producer milk.

* * *

(b) * * *

(1) * * *

(ii) Submit to the cooperative association on or before the 10th day of each month written information which shows for each member-producer (a) the total pounds of milk received during the preceding month, (b) the total pounds of butterfat contained in such milk, (c) the number of days of production included in such receipts, and (d) the amounts withheld by the handler in payment for supplies sold; and

* * *

10. In § 1104.82(b) subparagraph (1) is revised to read as follows:

§ 1104.82 Payments to the producer-settlement fund.

* * *

(b) * * *

(1) The value of such handler's producer milk at the applicable uniform price specified in § 1104.80; and

* * *

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Effective date: Upon publication in the **FEDERAL REGISTER**.

Signed at Washington, D.C., on October 15, 1968.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 68-12708; Filed, Oct. 17, 1968; 8:49 a.m.]

[Milk Order 108]

**PART 1108—MILK IN CENTRAL
ARKANSAS MARKETING AREA**

Order Suspending Certain Provision

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and of the order regulating the handling of milk in the Central Arkansas marketing area (7 CFR Part 1108), it is hereby found and determined that:

(a) The following provision of the order does not tend to effectuate the declared policy of the Act for the months of October, November, and December 1968:

In § 1108.6 the provision: "any day during the months of February through August, or on not more than 10 days during any other month."

(b) Thirty days notice of the effective date hereof are impractical, unnecessary, and contrary to the public interest in that:

(1) This suspension order does not require of persons affected substantial or extensive preparation prior to the effective date.

(2) This suspension order is necessary to reflect current marketing conditions and to maintain orderly marketing conditions in the marketing area.

(3) This suspension action is requested by Milk Producers, Inc., a cooperative association of producers representing nearly all producers on the market.

(4) Due to shortages of Grade A milk in the surrounding area, milk of producers is diverted to unregulated fluid milk plants on days when not needed in this market. Economical handling of the milk supply requires diversion of milk of individual farmers for more than the 10-day diversion limit. Unless the limit is suspended for the October-December 1968 period, uneconomical movements of milk would be required to maintain producer status for dairy farmers regularly serving this market.

(5) Interested parties were afforded opportunity to file written data, views, or arguments concerning this suspension (33 F.R. 14886). Petitioner submitted data, views, and arguments supporting the suspension. None were filed in opposition to the proposed suspension.

Therefore, good cause exists for making this order effective October 1, 1968.

It is therefore ordered, That the aforesaid provision of the order is hereby suspended for the months of October, November, and December 1968.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Effective date: October 1, 1968.

Signed at Washington, D.C., on October 15, 1968.

TED J. DAVIS,
Assistant Secretary.

[F.R. Doc. 68-12709; Filed, Oct. 17, 1968; 8:49 a.m.]

Chapter XIV—Commodity Credit Corporation, Department of Agriculture

SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

[Amdt. 5]

PART 1425—COOPERATIVE MARKETING ASSOCIATIONS

Subpart—Eligibility Requirements for Price Support

MEMBER ASSOCIATIONS

The regulations issued by the Commodity Credit Corporation, published in 33 F.R. 4914, 5865, 7071, 10639, and 12673 and containing eligibility requirements for cooperative marketing associations to obtain price support are hereby amended as follows:

Section 1425.15(a) is amended to apply only to member associations which deliver commodities to the association on which the association obtains price support from CCC or deliver commodities which are included in the same pool with commodities on which the association obtains price support. Section 1425.15(a) as amended reads as follows:

§ 1425.15 Member associations.

(a) If an association obtains price support from CCC on any quantity of a commodity delivered by an association member or if the association obtains price support from CCC on any quantity of the commodity included in the same pool with the production delivered by such association member, the association and such association member must meet the requirements of subparagraphs (1), (2), and (3) of this paragraph.

(1) The commodity delivered by the association member must have been produced by its members; and the association member must have authority to deliver such commodity to the association for marketing. Also, each such association member must have authority to sell the commodity produced and delivered to such association member by its members, obtain a loan on the security thereof, and give a lien thereon.

(2) In its charter, bylaws, marketing agreement, or by other legal means, the association must require each such association member to meet the requirements of this subpart.

(3) The association must determine that each such association member is eligible for price support under this subpart and must so certify to CCC.

* * * *

Effective date: Upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on October 14, 1968.

E. A. JAENKE,
Acting Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 68-12688; Filed, Oct. 17, 1968; 8:47 a.m.]

Title 9—ANIMALS AND ANIMAL PRODUCTS

Chapter III—Consumer and Marketing Service (Meat Inspection), Department of Agriculture

SUBCHAPTER A—MEAT INSPECTION REGULATIONS

PART 310—POST-MORTEM INSPECTION

Organs and Parts and Identifying Devices To Be Held Pending Final Inspection of Carcasses

On May 28, 1968, there was published in the FEDERAL REGISTER (33 F.R. 7761) a notice of a proposed amendment to § 310.2 of the Meat Inspection Regulations (9 CFR 310.2). After due consideration of all relevant matters presented in connection with such notice and under the authority of the Federal Meat Inspection Act (34 Stat. 1260, as amended by 81 Stat. 584, 21 U.S.C. 601 et seq.), § 310.2 of the regulations is amended to read as set forth below.

Statement of considerations. This amendment provides for maintaining the identity of an animal until post mortem inspection has been completed. Inspectors will have access to all available information regarding an animal that would assist in determining the wholesomeness of the carcass, thus strengthening consumer protection.

When indicated by post mortem findings, these identifying features can be reviewed to develop information concerning the animal which would aid in making a disposition or deciding if further testing is desirable.

This amendment shall become effective 60 days after publication hereof in the FEDERAL REGISTER.

Section 310.2 is amended to read:

§ 310.2 Identification of carcass with certain severed parts thereof and with animal from which derived.

The head, tail, tongue, thymus gland, and all viscera of each slaughtered animal, and all other parts and blood of such animal to be used in the preparation of meat food products or medical products, shall be handled in such a manner as to identify them with the rest of the carcass and as being derived from the particular animal involved, until the post mortem examination of the carcass and parts thereof has been completed. Such handling shall include the retention of ear tags, back tags, implants, and other identifying devices affixed to the animal, in such a way as to relate them to the carcass until the post mortem examination has been completed.

(Sec. 21, 34 Stat. 1260, as amended, 81 Stat. 584, 21 U.S.C. 621; 29 F.R. 16210, as amended; 32 F.R. 11741)

This amendment differs slightly from that proposed in the notice of rule making. The differences are due to changes made pursuant to comments received from interested persons. It does not appear that publication of further notice and other public rule making procedure with respect to the amendment would make additional information available to this Department. Therefore, under the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that such further procedure is unnecessary.

Done at Washington, D.C., this 14th day of October 1968.

H. M. STEINMETZ,
Acting Deputy Administrator,
Consumer Protection, Consumer and Marketing Service.

[F.R. Doc. 68-12682; Filed, Oct. 17, 1968; 8:47 a.m.]

Title 13—BUSINESS CREDIT AND ASSISTANCE

Chapter I—Small Business Administration

[Amdt. 11]

PART 101—ADMINISTRATION

List of Public-Use SBA Forms

Part 101 of Title 13 of the Code of Federal Regulations is hereby amended by revising § 101.4 thereof to read as follows:

§ 101.4 List of public-use SBA forms.

Number	Date	Reference ¹	Title	Code ²
1.....	7-67	ND 135-5A.....	Purchase Order.....	P
1A.....	1-58	ND 135-5A.....	Purchase Order (Continuation Sheet).....	P
4—Part I.....	9-67	ND 510-1.....	Application for Loan.....	P
4—Part II.....	6-68	ND 510-1.....	Application for Loan—Statement of Personal History.....	P
4 Schedule A.....	8-66	ND 510-1.....	Summary of Collateral Offered by Applicant as Security for Loan and SBA Appraiser's Valuation Report.....	P
4A.....	9-67	ND 510-1.....	Instruction Sheet (Form 4, Part I and Schedule A).....	P
4B.....	4-66	ND 510-1.....	Essential Information Required for Loans to Producers of Minerals, Metals, Fuel Except Oil, and Gas (Mining Loans).....	P

See footnotes at end of table.

Number	Date	Reference 1	Title	Code 2
4C	9-64	ND 560-1	Essential Information for Substantial Economic Injury Disaster Loans.	P
4H	3-65	ND 510-1	Convaescent Nursing Homes.	P
5	8-67	ND 560-1	Application for Disaster Loan—Business.	P
5B	7-67	ND 560-1	Application for Disaster Loan of \$2,500 or Less.	P
5C	7-67	ND 560-1	Application for Disaster Loan—Home.	P
6B	7-67	ND 510-1	Application for Loan.	P
74	2-68	ND 615-1A	Application for Certificate of Competency.	P
74A	2-68	ND 615-1A	Instructions for the Preparation of SBA Forms 74 and 74B.	P
74B	6-66		Monthly Cash Flow Projection.	P
115ML	3-68		Mailing List Application—Free Management Assistance Publications.	P
136	2-66	ND 510-1	Participation Agreement (For Immediate Participation by SBA in Loan Made by Bank).	P
136B	12-66	ND 510-1	Simplified Early Maturities Participation Agreement.	P
137	8-65	ND 510-1	Participation Agreement (For Immediate Participation by Bank in Loan Made by SBA and Administered by SBA).	P
138A	1-67	ND 560-1	Disaster Participation Agreement (Immediate).	P
138B	1-68	ND 560-1	Disaster Participation Agreement Program (Immediate Participation).	P
139	2-68	ND 510-1	Standby Agreement.	P
143	8-67	ND 560-1	Request for Credit Information.	R
147	9-63	ND 510-1	Note.	P
147A	7-65	ND 510-1	Note.	P
148A	11-67	ND 510-1	Guaranty.	P
148B	9-63	ND 520-1A	Guaranty.	P
148C	5-68	ND 520-1A	Guaranty (Loan Guaranty Plan).	P
152	10-67		Participation Certificate.	P
152A	4-66		Participation Certificate.	P
153A	7-68	ND 520-1A	Loan Agreement.	P
154	10-67		Loan Agreement (Loan Guaranty Plan).	P
154B	1-65		Note.	P
155	7-65		Note.	P
156	10-67	ND 520-1A	Standby Agreement (Participation Loan).	P
156A	1-65	ND 520-1A	Certificate of Interest.	P
156B	10-66	ND 520-1A	Certificate of Interest.	P
157	11-67		Participation Certificate.	P
159	6-67	ND 510-1	Compensation Agreement for Services in Connection with Application and Loan from (or in Participation with) SBA.	P
160	11-67	ND 510-1	Resolution of Board of Directors.	P
160A	9-64	ND 510-1	Certificate as to Partners.	P
161	12-67		Loan Agreement.	P
166	10-67	ND 620-1A	Registration of Manufacturing Facilities for Small Business Concerns.	R
166B	3-65	ND 620-1A	Registration of Construction-General Contractor or Service Facilities for Small Business Concerns.	R
166C	10-67	ND 620-1A	Record of Concerns Activity in the Forest Products Industry.	R
172	2-68	ND 205-1	Report of Transactions on Loans Serviced by Banks.	P
172D	7-68	ND 205-1	Report of Transactions on Loan Serviced by Bank (TEMP-SEMP).	P
175	12-67	ND 206-1	Notice of Assignment.	P
193	12-66	ND 205-1	Loan Repayment Schedule.	P
193A	12-67	ND 205-1	Amortization Schedule.	P
203	9-67	ND 205-1	Notice of Loan Payment Past Due.	P
204	9-66		Accounting Advice.	P
224	10-67	ND 520-1A	Insurance Record and Tickler.	P
225	2-66	ND 520-1A	Substitution of Assigned Accounts Receivable.	P
226	5-68	ND 205-1	Notice of Loan Payment Due.	P
230	3-68	ND 205-1	Receipt for Payment.	P
247	8-64	ND 530-1	No Trespassing.	P
281	12-67	ND 510-1	Request for Name Check.	P
284	5-62		Invoice.	P
303	12-66	ND 560-1	Confidential Bank Credit Report.	P
304	9-64	ND 560-1	Authorization (Disaster-Residential-Direct).	P
305	7-65	ND 560-1	Authorization (Disaster Business Loan-Direct).	P
316	12-65		Blanket Bond.	P
319	1-68	ND 560-1	Report and Confirmation of Loan.	P
326A	12-66		Note (For All Immediate Participation Loans Not Over \$25,000 SBA's Share).	P
326B	11-67		Note (For Direct Loan Not Over \$25,000).	P
326C			Note (For all "L" and "SL" Immediate Participation Loans Not Over \$25,000, SBA's Share).	P
326D	12-67		Note (For Direct Loan Not Over \$25,000).	P
347	7-68		Participants' Share of Participation—Loan Repayment.	P
348	4-68		SBA Listing of Field Office Addresses.	P
349A	4-68	ND 510-1	Authorization (Direct Loan).	P
349B	2-68	ND 510-1	Authorization (Immediate Participation).	P
349C	12-67	ND 510-1	Authorization (Loan Guaranty Plan).	P
351	6-68	ND 205-1	Past Due Notice—Participation Loan.	P
355	9-67	ND 400-4	Application for Small Business Size Determination.	P
362	5-68	ND 520-1A	Financial Statement.	P
362A	12-67	ND 520-1A	Data to Support Balance Sheet.	P
368	10-67	ND 205-1	Monthly Report of Collections—Disaster Deferred Participation Loans Purchased.	P
368A	12-66	ND 205-1	Monthly Report of Collections—Disaster Deferred Participation Loans.	P
388	7-68	ND 205-1	Fee Invoice.	P
389	11-65	ND 205-1	Advice of Transactions.	P
391	12-67	ND 205-1	Quarterly Report on Deferred Participation or Guaranteed Loans.	P
393	3-67		Qualifications Inquiry.	P
394	8-67	ND 1100-4	Policy and Regulations Concerning Representatives and Their Fees.	P
403	9-67	ND 560-1	Note (Disaster Loans Only).	P
408	9-65	ND 510-1	Authorization—Direct Loan.	P
408A	10-65	ND 510-1	Authorization—Immediate Participation—Small Loan.	P
408B	12-67	ND 510-1	Authorization—Loan Guaranty Plan—Small Loan.	P
408C	11-67	ND 510-1	Authorization—Direct Loan—EOL Program.	P
408D	3-67	ND 510-1	Authorization—Immediate Participation—EOL Program.	P
408E	12-66	ND 510-1	Authorization—Loan Guaranty Plan—EOL Program.	P
413	8-67	ND 520-1A	Personal Financial Statement.	P
415	2-68		Licence Application.	PC
415A	2-68		Statement of Personal History and Qualification of Management.	PC
415B	3-68		Information and General Instructions for License Applicants.	PC
415C	2-68		Amendments to License Application or Proposal to Operate a Small Business Investment Company.	PC
416	2-68		Application for Funds.	PC
419	12-66		Application for Membership in Small Business Production or Research and Development License (SBIC).	PC
435	3-59		Small Business Administration License (SBIC).	PC
444	1-68		Debiture.	PC
444A	1-68		Transcript of Account.	PC
466	9-67		Financial Report.	PC
480	2-68		Size Status Declaration.	P
482	2-62	ND 625-1	Application for Personal Property Sales Assistance Register.	R
482A	2-62	ND 625-1	Application for Personal Property Sales Assistance Register.	R
483	9-66		Unfilled Orders—Publications (Postal Card).	P
500	8-67		Analysis and Recomputation of Repayments.	P
502	12-67	ND 535-1	Application for Loan (502).	P
502A	8-68	ND 535-1	Instructions to Applicant.	P
502B	7-68	ND 535-1	Information to be Submitted by the Small Business Concern to be Assisted by a Development Company Which is Applying for a Section 502 Loan.	P
502C	6-68	ND 535-1	Statement of Personal History.	P
502D	4-65	ND 535-1	Exhibit to SBA Form 502B.	P
502E	4-65	ND 535-1	Exhibit to SBA Form 502.	P
508	1-68	ND 510-1	Note (Timber Access Road Loan Program).	P
508A	12-66	ND 510-1	Note (Timber Access Road Loan Program).	P
509	4-61	ND 510-1	Assignment of Rights Under Timber Sale Contract.	P
509A	9-62	ND 510-1	Assignment of Rights Under Contract for Sale of Timber.	P
522	8-61		Questionnaire—SBA Loans to Local Development Companies.	P
527	10-67	ND 510-1	Bank Request for Loan Guaranty or Immediate Participation (SBLLP-SEMP).	P
528	4-68	ND 510-1	Applicant's Statement (Bank Serviced—SBA Participation).	P
529	6-67	ND 510-1	Authorization Approving Bank's Request for SBA Participation.	P
529A	5-68	ND 510-1	Authorization Approving Bank's Request for SBA Participation (SEMP).	P
529B	8-66	ND 510-1	Authorization Approving Bank's Request for SBA Guaranty.	P
530	9-61	ND 510-1	Note (SBLLP).	P

See footnotes at end of table.

Number	Date	Reference 1	Title	Code 2
807	12-67		Letter re Tax Statement and Treasury Check.	PC
808	12-67		Letter re Publications Inquiry.	PC
809	12-67		Letter re Bill of Lading.	PC
810	12-67		Letter re Purchase Order.	PC
811	12-67		Inquiry for Delivery of Purchase.	PC
812	12-67		Certificate—Chairman of SBA National Advisory Council.	PC
813	12-67		NASA Tech Brief Letter.	P
814	12-67		Film Information Sheet.	PC
815	1-68		Certificate National SBIC Advisory Council (Member).	PC
816	2-68		Certificate National SBIC Advisory Council (Chairman).	PC
817	2-68		Personal Property Damaged or Destroyed by Disaster.	PC
818	2-68		Bill for Collection.	PC
819	2-68	ND 560-10	Underwriting Report for Lease Guarantee.	PC
820	3-68		Certificate of Reinsurance.	PC
821	4-68		Certificate—Service to Small Business Citation.	PC
822	5-68		Notice of Visit.	P
823	6-68		Certificate—National Advisory Council—Member.	PC
824	7-68		Appointment Letter.	PC
825	8-68	ND 1030-1	Initial Loan Confirmation Request.	PC
826	8-68	ND 1030-1	Custodian Confirmation Request.	PC
827	8-68	ND 1030-1	Participation Purchased Confirmation Request.	PC
828	8-68	ND 1030-1	Initial Equity Investment Confirmation Request.	PC
829	8-68	ND 1030-1	Repeat Loan and Equity Investment Confirmation Request.	PC
830	8-68	ND 1030-1	Participation Sold Confirmation Request.	PC
831	8-68	ND 1030-1	Bank Confirmation Request.	PC
832	8-68	ND 1030-1	Loan and Investment Information.	PC
833	8-68	ND 1030-1	Comparative Balance Sheet.	PC
834	8-68	ND 1030-1	Statement of Income and Expenses.	PC
835	8-68		Questionnaire 8(a) Prospective Subcontractor Data.	PC

1 EXPLANATION OF REFERENCE SYMBOLS:

ND—SBA National Directive, e.g., ND 135-5.

2 EXPLANATION OF CODE SYMBOLS:

P&PC—SBA forms used by the public when applying for or obtaining SBA assistance or when providing services for SBA.
(Forms available in both the Central Office and field offices.)

R&RC—SBA forms used by SBA or under SBA sponsorship to solicit information from 10 or more persons (other than Federal employees). These forms have Bureau of the Budget approval, as required by the Federal Reports Act of 1942.
(Forms available in both the Central Office and field offices.)

R—(Forms available only in the Central Office.)

Effective date: September 23, 1968.

HOWARD J. SAMUELS,
Administrator.

[F.R. Doc. 68-12602; Filed, Oct. 17, 1968;
8:45 a.m.]

[Rev. 8, Amdt. 1]

PART 121—SMALL BUSINESS SIZE
STANDARDS

Definition of Small Business Concern
for Purpose of Sales of Government-Owned Timber

On August 24, 1968, there was published in the FEDERAL REGISTER a notice that the Administrator of the Small Business Administration proposed to amend the definition of a small business concern for the purpose of sales of Government-owned timber and establish a definition of forest products industry.

Under the proposed amendments a concern purchasing Government-owned timber involving preferential treatment of small business from timber tracts in the State of Alaska would be allowed to resell 50 percent of such timber to a concern which does not qualify as a small business instead of 30 percent, the amount applicable to resales from timber tracts in other States. Further, under the notice of proposal exemptions relating to mixed stumpage of hardwood and softwood species were deleted from the regulation.

Interested persons were given 30 days in which to file with the SBA written statements of facts, opinions or arguments concerning the proposal. After consideration of all relevant matters regarding the proposal the amendments set forth below are hereby adopted. Part 121 of Chapter I of Title 13 of the Code of Federal Regulations is hereby further amended by:

Number	Date	Reference 1	Title	Code 2
530A	7-65	ND 510-1	Note (SEMP)	P
530B	8-67	ND 510-1	Note (SEMP)—Immediate Participation Only.	P
531	1-67	ND 625-1	Sales Assistance Register—Information.	P
532	2-62		Assignment Agreement.	P
533	2-67		Semiannual Report on Guaranteed Loans.	P
534	3-67	ND 535-1	Contents of Portfolio.	P
535	4-62		Contractor's Proposal of Costs.	PC
536	4-62		Invoice—Claim for Reimbursement.	PC
537	4-62		Itemization of Direct Costs—Salaries.	PC
538	4-62		Itemization of Direct Costs—Transportation and Communications.	PC
539	4-62		Itemization of Direct Costs—Supplies and Equipment.	PC
540	4-67		Conference ID Card.	P
541	1-68	ND 535-1	Certificate of Incorporation of Development Company.	P
542	3-65	ND 1030-1	Subpoena Duces Tecum.	PC
543	3-65	ND 510-1	Certification of Fees Paid in Connection with SBLP or SEMP Loan.	P
544	10-67		Starting a New Business—Workshop Outline.	P
545	8-67		Workshop for Prospective Small Business Owners—Worksheets.	P
546	7-65		Initial Capital Requirements for Laundry and Cleaning Plants and Agencies.	P
547	2-64	ND 510-1	Guaranty Agreement (Deferred Participation).	P
548	5-68	ND 520-1A	Application for Liquidity Privilege.	P
549	9-68	ND 1500-2B	Applicant's Assurance of Compliance.	P
550	9-67	ND 1500-2B	Agreement of Amendment of Contract to Conform with Requirements of SBA Form 601.	P
551	11-67		Application for Registration as a SCORE Volunteer and Request for Counseling Assignment.	R
552	6-67		Business Inquiry.	P
553	12-67		Address Query (Postal Card).	P
554	6-67		SCORE Case Report.	R
555	4-68		Request for Counseling (SCORE).	P
556	11-67	ND 1500-2B	Communication Acknowledgment (Postal Card).	P
557	11-67	ND 1500-3A	Applicant's Assurance of Compliance.	P
558	10-67	ND 1500-3A	Applicant Licensee's Assurance of Compliance.	P
559	7-67	ND 1500-3A	Assurance of Compliance.	P
560	11-67	ND 1500-3A	Applicant's Contingent Assurance of Compliance.	P
561	8-67	ND 1500-3A	Assurance of Compliance.	P
562	2-66	ND 206-1	Control Report.	P
563	3-66		Agreement.	P
564	3-66		Guaranty Agreement.	P
565	6-66	ND 510-1	SBDC Client Interview Form.	R
566	1-68		Program Evaluation Report.	PC
567	10-65		Notice—Mailing List Revision for Aids.	P
568	3-66		"Thank You."	P
569	5-67		Compliance Report.	P
570	8-66	ND 500-1	Letter for DBL Notification.	P
571	9-66	ND 1500-8	Equal Employment Opportunity Poster.	P
572	9-66	ND 625-1	Small Business Certification Required on All Preferential Sales of Set-Aside Timber.	P
573	9-66		Membership Card for SCORE Volunteers.	P
574	2-68	ND 510-1	Special Conditions for RAA Nonresidential Rehabilitation Loans.	P
575	12-66		Certification and Receipt.	P
576	9-67	ND 510-1	Blanket Loan Guaranty Agreement Between and the SBA.	P
577	7-68	ND 510-1	Application for Loan Under Blanket Guaranty.	P
578	10-67	ND 530-1	Financial Statement of Debtor.	P
579	6-67	ND 1250-2	Request for SBA Forms, Documents, Records and Other Information.	P
580	7-67		Form Letter—Status of Indebtedness.	PC
581	7-67	ND 1250-2	Request for Agency Information or Records.	P
582	7-67		Interest Paid During the Calendar Year.	PC
583	4-68		Form Letter re Voluntary Deductions.	PC
584	8-67		Form Letter to CPAs re Bank's Participation.	PC
585	8-67	ND 205-1	Returned Unpaid Remittance.	P
586	8-67		Letter re Participation Loan.	P
587	9-67	ND 1500-10	Notice to New SBA Borrowers.	P
588	7-68		Certificate—Advisory Council—Member.	PC
589	8-68		Certificate—Advisory Council—Chairman.	PC
590	4-68		Application for Lease Guarantee (Part I).	P
591	4-68		Application for Lease Guarantee (Part II).	P
592	4-68		Application for Lease Guarantee (Part III).	P
593	8-68		Small Business Advisory Council ID Card.	PC
594	11-67		Lease Guarantee Insurance Policy.	PC
595	12-67		Certificate re Small Business Contributions.	PC

1. Inserting new paragraph (1-1) immediately following § 121.3-2(1) to read as follows:

§ 121.3-2 Definition of terms used in this part.

* * * *

(1-1) "Forest products industry" as used in § 121.3-9(b) means logging, wood preserving, and the manufacture of lumber and wood related products such as veneer, plywood, hardboard, particle board, or wood pulp, and of products of which lumber or wood related products are the principal raw material.

* * * *

2. Revising § 121.3-9(b) (2) (ii) to read as follows:

§ 121.3-9 Definition of small business for sales of Government property.

* * * *

(b) *Sales of Government-owned timber.* * * *

(2) * * *

(ii) It agrees that it will not sell to a concern which is not a small business within the meaning of this paragraph more than thirty percent (30%) of such timber or, in the case of timber from certain geographical areas set forth in Schedule E of this part, more than the percentage established therein for such area.

* * * *

3. Adding Schedule E to Part 121 to read as follows:

**SCHEDULE E—GOVERNMENT-OWNED TIMBER
RESALE STANDARDS FOR SPECIFIC GEOGRAPHICAL AREAS**

Area from which timber is cut: Alaska.
Percentage of timber purchased that may be sold to other than small business: 50 percent.

Dated: October 11, 1968.

HOWARD J. SAMUELS,
Administrator.

[F.R. Doc. 68-12663; Filed, Oct. 17, 1968;
8:45 a.m.]

Title 24—HOUSING AND HOUSING CREDIT

Chapter II—Federal Housing Administration, Department of Housing and Urban Development

SUBCHAPTER B—PROPERTY IMPROVEMENT LOANS

PART 201—CLASS 1 AND CLASS 2 PROPERTY IMPROVEMENT LOANS

Miscellaneous Amendments

In § 201.9 paragraphs (a) and (b) (1), (2), and (3) are amended to read as follows:

§ 201.9 Refinancing.

(a) *General requirements.* New obligations to liquidate loans previously reported for insurance pursuant to title I of the Act which may or may not include an additional amount advanced, to the extent permitted by § 201.3, and which

may include the maximum finance charge permissible under § 201.4, will be covered by insurance if the new obligations meet the requirements of all applicable regulations in this part and the special provisions of this section.

(b) *Maximum maturity.* (1) A Class 1(a) loan or a Class 2(a) loan may be refinanced for an additional period not in excess of 7 years and 32 days from the date of the refinancing, provided that the term of the new note does not extend beyond 12 years from the date of the original note.

(2) A Class 1(b) loan may be refinanced for an additional period not in excess of 7 years and 32 days from the date of refinancing, but not to exceed 12 years from the date of the original note.

(3) A Class 2(b) loan may be refinanced for an additional period not in excess of 7 years and 32 days from the date of the refinancing, but not to exceed 12 years from the date of the original note, except that if a Class 2(b) loan is secured by a first mortgage, first deed of trust, or other security instrument, constituting a first lien upon the improved property, the new note may have a final maturity not in excess of 15 years and 32 days from the date of the refinancing, but not to exceed 25 years from the date of the original note.

* * * *

Section 201.10 is amended to read as follows:

§ 201.10 Report of loans.

Loans shall be reported on the prescribed form to the Federal Housing Administration at Washington, D.C., within 31 days from the date of the note or date upon which it was purchased. Any loan refinanced as provided in § 201.9 shall likewise be reported on the prescribed form within 31 days from the date of refinancing. Any loan transferred as provided in § 201.12(e) shall be reported on the prescribed form within 31 days from the date of such transfer. If the loan or note is not in default, the Commissioner may, in his discretion, accept a late report.

Section 201.15 is amended to read as follows:

§ 201.15 Amendments.

The regulations in this part may be amended by the Commissioner at any time, but such amendment shall not adversely affect the insurance privileges of an insured with respect to any loan previously made or in the process of being made. Unless otherwise provided, an amendment shall be applicable to any loan or the refinancing of any loan, when the loan or note is made pursuant to an application dated on or after the effective date of such amendment.

(Sec. 2, 48 Stat. 1246, as amended; 12 U.S.C. 1703)

Issued at Washington, D.C., October 14, 1968.

PHILIP N. BROWNSTEIN,
Federal Housing Commissioner.

[F.R. Doc. 68-12660; Filed, Oct. 17, 1968;
8:45 a.m.]

Title 30—MINERAL RESOURCES

Chapter I—Bureau of Mines, Department of the Interior

SUBCHAPTER A—HELIUM AND COAL

PART 2—PURCHASE OF HELIUM BY FEDERAL AGENCIES AND THEIR CONTRACTORS

On pages 5219-5220 of the FEDERAL REGISTER of March 30, 1968, there was published a notice and text of a proposed new Part 2 of Subchapter A, Chapter I of Title 30, Code of Federal Regulations.

By this and subsequent notices in the FEDERAL REGISTER interested persons were given until July 1, 1968, to submit written comments, suggestions, or objections with respect to the proposed new part. Comments, suggestions, and objections were received from interested persons, including private helium distributors and producers, and have been thoroughly considered and evaluated.

In consideration of the comments received and in order to clarify the text of the regulations, the following significant changes have been made:

In § 2.3(b) the volume of helium that constitutes a "major requirement of helium" has been increased from 1,000 to 5,000 standard cubic feet of gaseous helium a month, and provisions have been added relating to "requirements of helium" to enable the Federal agencies and their contractors to determine more clearly the applicability of the regulations to their particular circumstances. The text has also been changed to state more clearly that the term "major requirements of helium" includes the first 5,000 standard cubic feet a month of any such requirement as well as quantities in excess of that amount, and to make clear that this includes liquid helium requirements expressed as gaseous helium equivalents.

In § 2.3(b) provisions have been added to emphasize that Federal contractors using helium for both Federal and other than Federal purposes shall be required to purchase Bureau of Mines helium only for Federal purposes. Provisions have been included to permit such Federal contractors to estimate the quantities of helium used for Federal purposes when such quantities may not otherwise be readily determined, and to eliminate from consideration any items manufactured prior to the receipt of a procurement order therefor.

In § 2.4 a new paragraph (b) has been added to require private helium distributors to initiate their eligibility under the regulations by written request to the Bureau of Mines. This will enable the Bureau to compile and maintain a list of eligible distributors to be made available to Federal agencies, their contractors, and the public generally.

In § 2.4 provision has been made in paragraph (d) for the establishment of a beginning inventory of Bureau of Mines helium at the shipping points of the eligible private helium distributors as of the effective date of the regulations, which will avoid any discontinuity

of sales from such shipping points to Federal agencies and their contractors.

In § 2.4 the form prescribed in paragraph (g) to be used in reporting and receipts and distribution of Bureau of Mines helium from the shipping points of the eligible private helium distributors has been changed to (1) make all of the reporting on the basis of gaseous helium rather than gaseous and liquid helium separately, (2) eliminate the requirement for the reporting of sales to other than Federal customers, and (3) provide for the carryover of unsold Bureau of Mines helium from one reporting period to another.

In § 2.4 provision is made in paragraph (h) for an initial report to establish a beginning inventory of Bureau of Mines helium at the various shipping points and for subsequent reports thereafter at 6-month intervals.

A recommendation was made by several private helium distributors that the reporting required by the regulations be on a companywide basis rather than by shipping points. This recommendation was not adopted because it would permit private distributors to sell helium to Federal agencies and their contractors from shipping points that receive no Bureau of Mines helium.

New Part 2 is set forth below and shall become effective at the beginning of the 45th calendar day following the date of publication in the FEDERAL REGISTER.

DAVID S. BLACK,
Under Secretary of the Interior.

OCTOBER 15, 1968.

Sec.

2.1 Purpose.

2.2 Definitions.

2.3 Purchases by a Federal agency and its contractors.

2.4 Private helium distributors—eligibility.

2.5 Sales to private helium distributors.

2.6 Navajo Helium Plant production.

AUTHORITY: The provisions of this Part 2 issued under section 9 of the Helium Act (50 U.S.C., sec. 167g (1964)).

§ 2.1 Purpose.

(a) Subsection (a) of section 6 of the Helium Act (50 U.S.C. 167d(a)) provides:

The Department of Defense, the Atomic Energy Commission, and other agencies of the Federal Government, to the extent that supplies are readily available, shall purchase all major requirements of helium from the Secretary.

(b) The purpose of this Part 2 is to implement this provision of the Act, and the regulations in this part shall govern the purchase of the Federal agencies' major requirements of helium, whether such major requirements are purchased and used directly by the Federal agencies or by their contractors. To the same end, the regulations prescribe certain requirements that must be met by private helium distributors in order to establish and retain eligibility to supply such major requirements of helium.

§ 2.2 Definitions.

As used in this part—

(a) "Helium Act" means the Act of March 3, 1925, as amended by section 2

of the Helium Act Amendments of 1960 (50 U.S.C. 167–167n).

(b) "Helium" means the element helium regardless of its physical state.

(c) "Bureau of Mines helium" means helium sold by the Bureau of Mines pursuant to Part 1 of this chapter.

(d) "Federal agency" means any department, independent establishment, commission, administration, board, or bureau of the United States and any wholly owned Government corporation.

(e) "Contractor" means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, or State or political subdivision thereof that requires helium in the performance of a contract or work for a Federal agency under either a prime contract, subcontract, or cooperative agreement.

(f) "Standard cubic foot" means that volume of helium at a pressure of 14.7 pounds per square inch absolute and a temperature of 70° Fahrenheit.

(g) "Private helium distributor" means any individual, corporation, partnership, firm, association, or other private agency or organization that sells helium.

§ 2.3 Purchases by a Federal agency and its contractors.

(a) A Federal agency and its contractors shall purchase all major requirements of helium either (1) directly from the Bureau of Mines in accordance with Part 1 of this chapter, or (2) from private helium distributors which establish and maintain their eligibility in accordance with the regulations in this part.

(b) "Major requirements of helium" means all of a Federal agency's requirements of helium in quantities of five thousand (5,000) standard cubic feet, or more, of gaseous helium a month, including the first five thousand (5,000) standard cubic feet of such requirements, whether such requirements are purchased and used directly by the Federal agency or by contractors in the performance of contracts or work for the Federal agency. For the purposes of the regulations in this part, a "requirement of helium" means the helium in whatever quantity, including the gaseous helium equivalent of any liquid helium, that is required either by a Federal agency or by a contractor to accomplish a significant objective, whether or not all of said helium is purchased and used at a single location; specifically, for contractors, the helium required by each contractor or subcontractor in the performance of a contract or work for a Federal agency shall comprise a separate "requirement of helium."

(c) "Helium required in the performance of a contract or work for a Federal agency" means only the helium that is actually so used and does not mean or include helium that a contractor may use in the performance of a contract or work for other than a Federal agency. In the event that a contractor uses helium in the performance of contracts and work for both Federal and non-Federal purposes and the quantity of helium used for Federal purposes may not otherwise be readily determined, then the

helium required in the performance of a contract or work for a Federal agency may be estimated. The estimated amount shall be the same percentage of the contractor's total helium requirements as the contractor's work using helium for Federal purposes is of all of the contractor's work using helium. Helium used by a contractor in the manufacture of items prior to the receipt of a contract or purchase order either from a Federal agency or contractor for the purchase of such items shall not be considered to be helium required in the performance of a contract or work for a Federal agency.

§ 2.4 Private helium distributors—eligibility.

(a) To be eligible to supply major requirements of helium of a Federal agency and its contractors, a private helium distributor must comply with the provisions of this section.

(b) Each private helium distributor desiring to establish and maintain its eligibility in accordance with the regulations in this part shall so advise the Bureau of Mines in writing at the following address: Bureau of Mines Helium Activity, Department of the Interior, Post Office Box 10085, Amarillo, Tex. 79106. The Bureau of Mines will maintain at this address a current list of eligible private helium distributors and will supply copies of this list to the Federal agencies, their contractors, and any other interested persons upon request.

(c) Private helium distributors shall sell and deliver only Bureau of Mines helium to supply major requirements of helium of Federal agencies and their contractors. Private helium distributors are not required to provide physical facilities to keep Bureau of Mines helium separate and apart from any other helium in their distribution systems; and it is recognized that Bureau of Mines helium will lose its identity when commingled with other helium. In the event of any such commingling, so much of the commingled helium may be considered to be Bureau of Mines helium as is equal to the volume of Bureau of Mines helium contained in such commingled helium. Each private helium distributor shall conduct its helium buying and selling operations in such a manner as to assure that at all times after the effective date of the regulations in this part it shall have received at each of its shipping points supplying major requirements of helium to Federal agencies and their contractors a volume of Bureau of Mines helium that is no less than the volume of such helium sold to Federal agencies and their contractors from each such shipping point.

(d) In order to establish beginning inventories of Bureau of Mines helium at such shipping points on the effective date of the regulations in this part and thus avoid any discontinuity of sales therefrom to the Federal agencies and their contractors, any Bureau of Mines helium received at those shipping points and not sold to Federal agencies and their contractors within the 30-day period immediately preceding the effective date of the regulations in this part shall be considered for the purpose of

the regulations in this part to be Bureau of Mines helium received and available for sale to the Federal agencies and their contractors after the effective date of the regulations in this part: *Provided, however, That at no time, either at the effective date of the regulations in this part or thereafter, shall the inventory of Bureau of Mines helium at any shipping point be considered to be more than the total volume of helium in inventory at that shipping point.*

(e) Sales of Bureau of Mines helium by one private helium distributor to another such distributor, and transfer of Bureau of Mines helium by a private helium distributor from one of its shipping points to another of its shipping points shall be accompanied by a certificate in the following form which shall then become a part of the recipient's helium accounting records:

CERTIFICATE OF RESALE OR TRANSFER OF BUREAU OF MINES HELIUM

I certify that on this _____ day of _____, 19____, _____ standard cubic feet of Bureau of Mines helium (convert liquid helium to its gaseous helium equivalent) was ☐ sold, ☐ transferred, (indicate one) from:

(Company) _____,
(Shipping Point) _____ to
(Company) _____,
(Shipping Point) _____
Name _____
Title _____
Company _____
Address _____

(f) Each private helium distributor shall keep such helium accounting records as are necessary to assure compliance with the regulations in this part. Such records, together with pertinent supporting documents, shall be retained for a period of at least 1 year following the dates of their applicability, and they shall be made available to any duly authorized representative of the Bureau of Mines for examination during normal business hours at the place where the records are kept. The Director, Bureau of Mines, may require a private helium distributor to revise or to augment its helium accounting records following such an examination to provide whatever additional information that the Director determines to be necessary to assure future compliance with the regulations in this part.

(g) The following form shall be used by private helium distributors to report on the receipts and distribution of Bureau of Mines helium. The completed forms shall be submitted to the Bureau of Mines Helium Activity, Department of the Interior, Post Office Box 10085, Ama-

rillo, Tex. 79106. Copies of the form, in blank, may be obtained from the above address.

To: Bureau of Mines Helium Activity, Department of the Interior, Post Office Box 10085, Amarillo, Tex. 79106.

Opening inventory (carryover closing balance from previous period or total helium inventory this shipping point, whichever is smaller)² _____

Receipts:

By purchase from Bureau of Mines _____
By purchase from another distributor³ _____
By transfer from another shipping point of this distributor³ _____
Total receipts _____
Total available for distribution this period _____

Distribution:

By sale to Federal agencies and their contractors _____
By sale to another distributor _____
By transfer to another shipping point of this distributor _____
Total distribution _____
Closing balance² _____

¹ Express liquid helium is gaseous helium equivalent.

1 liter is equivalent to 26.63 standard cubic feet of gaseous helium.

1 gallon is equivalent to 100.82 standard cubic feet of gaseous helium.

² Because sales of Bureau of Mines helium to civilian consumers are not required to be reported on this form, it is possible for the closing balance of Bureau of Mines helium to exceed the total helium inventory at a shipping point at the end of a reporting period. However, it is not physically possible for the opening inventory of Bureau of Mines helium to exceed the total helium inventory at a shipping point at the beginning of a reporting period. See 30 CFR 2.4(d).

³ Purchases and transfers from sources other than the Bureau of Mines must be supported by copies of certificates from suppliers. See 30 CFR 2.4(e).

I certify that the foregoing report is true, correct, and complete to the best of my knowledge and belief.

Name _____
Title _____
Company _____
Address _____
Date _____

(h) Each private helium distributor shall use the form specified in paragraph (g) of this section to report for each of its shipping points supplying major requirements of helium to a Federal agency or contractor, as follows:

(1) Within 30 days after the effective date of the regulations in this part, the receipts and distribution of Bureau of Mines helium within the 30-day period preceding the effective date of the regulations in this part. This initial report shall establish a beginning inventory as of the effective date of the regulations in this part, and the opening inventory for this initial report shall be zero;

(2) On or before the 30th day of January 1969, the receipts and distribution of Bureau of Mines helium between the effective date of the regulations in this part and the close of business on December 31, 1968; and

(3) On or before the 30th day of July and January of each year thereafter, the receipts and distribution of Bureau of Mines helium within the 6-month peri-

Report of Bureau of Mines Helium Receipts and Distribution for the period commencing _____ and ending _____

Company _____
Shipping Point Designation and Address _____

Bureau of Mines
Helium (Mscf)¹

ods ending on the immediately preceding June 30 and December 31, respectively.

§ 2.5 Sales to private helium distributors.

From the effective date of the regulations in this part, all contracts for the sale of helium by the Bureau of Mines to private helium distributors shall require that such distributors comply with the provisions of § 2.4 and shall provide that the Bureau may withhold deliveries under a contract or terminate a contract with a private helium distributor which has refused or failed to comply with the provisions of § 2.4.

§ 2.6 Navajo Helium Plant production.

Notwithstanding any other provisions of the regulations in this part, an amount of helium not to exceed 500,000 standard cubic feet produced in any calendar month by the Navajo Tribe or by a private company under contract with the Navajo Tribe at the Navajo Helium Plant at Shiprock, N. Mex., shall, for the purpose of the regulations in this part, be deemed to be Bureau of Mines helium: *Provided, That, with respect to sale or transfer of, and accounting for, helium, the Navajo Tribe and its contractor shall comply with the provisions of the regulations in this part.*

[F.R. Doc. 68-12693; Filed, Oct. 17, 1968; 8:48 a.m.]

Proposed Rule Making

DEPARTMENT OF AGRICULTURE

Agricultural Stabilization and Conservation Service

[7 CFR Part 725]

FLUE-CURED TOBACCO

Notice of Determinations To Be Made Regarding Marketing Quotas on Acreage-Poundage Basis for 1969- 70 Marketing Year.

Pursuant to the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1281 et seq., hereinafter referred to as the "Act"), the Secretary under section 317 is preparing to determine and announce on an acreage-poundage basis, with respect to Flue-cured tobacco for the 1969-70 marketing year, (a) the amount of the national marketing quota, (b) the national average yield goal, (c) the national acreage allotment, (d) the reserve acreage for making corrections in farm acreage allotments, adjusting inequities, and for establishing allotments for new farms, (e) the national acreage factor, and (f) the national yield factor. Flue-cured tobacco farmers approved marketing quotas on an acreage-poundage basis for Flue-cured tobacco for the 1968-69, 1969-70, and 1970-71 marketing years on July 18, 1967 (32 F.R. 11413).

Section 317(a) of the Act contains, for the purposes of section 317, the following definitions:

(1) "National marketing quota" for any kind of tobacco for a marketing year means the amount of the kind of tobacco produced in the United States which the Secretary estimates will be utilized during the marketing year in the United States and will be exported during the marketing year, adjusted upward or downward in such amount as the Secretary, in his discretion, determines is desirable for the purpose of maintaining an adequate supply or for effecting an orderly reduction of supplies to the reserve supply level. Any such downward adjustment shall not exceed 15 per centum of such estimated utilization and exports.

(2) "National average yield goal" for any kind of tobacco means the yield per acre which on a national average basis the Secretary determines will improve or insure the usability of the tobacco and increase the net return per pound to the growers. In making this determination the Secretary shall give consideration to such Federal-State production research data as he deems relevant.

(3) "National acreage allotment" means the acreage determined by dividing the national marketing quota by the national average yield goal.

(4) "Farm acreage allotment" for a tobacco farm, other than a new tobacco farm, means the acreage allotment determined by adjusting uniformly the acreage allotment established for such farm for the immediately preceding year, prior to any increase or decrease in such allotment due to undermarketings or overmarketings and prior to any reduction under subsection (f), so that the total of all allotments is equal to the na-

tional acreage allotment less the reserve provided in subsection (e) of this section with a further downward or upward adjustment to reflect any adjustment in the farm marketing quota for overmarketing or undermarketing and to reflect any reduction required under subsection (f) of this section, and including any adjustment for errors or inequities from the reserve.

(5) The "community average yield" means for Flue-cured tobacco the average yield per acre in the community designated by the Secretary as a local administrative area under the provisions of section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, which is determined by averaging the yields per acre for the 3 highest years of the 5 years 1959 to 1963, inclusive, except that if the yield for any of the 3 highest years is less than 80 per centum of the average for the 3 years then that year or years shall be eliminated, and the average of the remaining years shall be the community average yield.

(6) (A) "Preliminary farm yield" for Flue-cured tobacco means a farm yield per acre determined by averaging the yield per acre for the 3 highest years of the 5 consecutive crop years beginning with the 1959 crop year except that if that average exceeds 120 per centum of the community average yield, the preliminary farm yield shall be the sum of 50 per centum of the average of the 3 highest years and 50 per centum of the national average yield goal but not less than 120 per centum of the community average yield, and if the average of the 3 highest years is less than 80 per centum of the community average yield the preliminary farm yield shall be 80 per centum of the community average yield. In counties where less than 500 acres of Flue-cured tobacco were allotted for 1964, the county may be considered as one community. If Flue-cured tobacco was not produced on the farm for at least 3 years of the 5-year period the average of the yields for the years in which tobacco was produced shall be used instead of the 3-year average. If no Flue-cured tobacco was produced on the farm in the 5-year period but the farm is eligible for an allotment because Flue-cured tobacco was considered to have been produced under applicable provisions of law, a preliminary farm yield for the farm shall be determined under regulations of the Secretary taking into account preliminary farm yields of similar farms in the community.

(7) "Farm yield" means the yield of tobacco per acre for a farm determined by multiplying the preliminary farm yield by a national yield factor which shall be obtained by dividing the national average yield goal by a weighted national average yield computed by multiplying the preliminary farm yield for each farm by the acreage allotment determined pursuant to paragraph (4) for the farm prior to adjustments for overmarketing, undermarketing, or reductions required under subsection (f) and dividing the sum of the products by the national acreage allotment.

(8) "Farm marketing quota" for any farm for any marketing year shall be the number of pounds of tobacco obtained by multiplying the farm yield by the acreage allotment prior to any adjustment for undermarketing or overmarketing, increased for undermarketing or decreased for overmarketing by the number of pounds by which marketings of tobacco from the farm during the immediately preceding marketing year, if market-

ing quotas were in effect under the program established by this section, is less than or exceeds the farm marketing quota for such year: *Provided*, That the farm marketing quota for any marketing year shall not be increased for undermarketing by an amount in excess of the number of pounds determined by multiplying the acreage allotment for the farm for the immediately preceding year prior to any increase or decrease for undermarketing or overmarketing by the farm yield. If on account of excess marketings in the preceding marketing year the farm marketing quota for the marketing year is reduced to zero pounds without reflecting the entire reduction required, the additional reduction required shall be made for the subsequent marketing year or years.

Section 317(d) of the Act requires the Secretary to determine and announce the national marketing quota, national acreage allotment, and national average yield goal for the 1969-70 marketing year for Flue-cured tobacco on or before December 1, 1968.

Section 317(e) provides:

No farm acreage allotment or farm yield shall be established for a farm on which no tobacco was produced or considered produced under applicable provisions of law for the immediately preceding 5 years. For each marketing year for which acreage-poundage quotas are in effect under this section the Secretary in his discretion may establish a reserve from the national acreage allotment in an amount equivalent to not more than 1 per centum of the national acreage allotment to be available for making corrections of errors in farm acreage allotments, adjusting inequities, and for establishing acreage allotments for new farms, which are farms on which tobacco was not produced or considered produced during the immediately preceding 5 years. The part of the reserve held for apportionment to new farms shall be allotted on the basis of land, labor, and equipment available for the production of tobacco, crop rotation practices, soil, and other physical factors affecting the production of tobacco and the past tobacco-producing experience of the farm operator. The farm yield for any farm for which a new farm acreage allotment is established shall be determined on the basis of available productivity data for the land involved and farm yields for similar farms, and shall not exceed the community average yield.

Section 317(f) provides:

Only the provisions of the last two sentences of subsection (g) of section 313 of this Act shall apply with respect to acreage-poundage programs established under this section. The acreage reductions required under the last two sentences shall be in addition to any other adjustments made pursuant to this section, and when acreage reductions are made the farm marketing quota shall be reduced to reflect such reductions. The provisions of the next to the last sentence of such subsection pertaining to the filing of any false report with respect to the acreage of tobacco grown on the farm shall also be applicable to the filing of any false report with respect to the production or marketings of tobacco grown on a farm for which an acreage allotment and a farm yield are established as provided in this section.

In establishing acreage allotments and farm yields for other farms owned by the owner displaced by acquisition of his land by any agency, as provided in section 378 of this Act, increases or decreases in such acreage allotments and farm yields as provided in this section shall be made on account of marketings below or in excess of the farm marketing quota for the farm acquired by the agency. Acreage allotments and farm marketing quotas determined under this section may (except in case of Burley tobacco, or other kinds of tobacco not subject to section 316) be leased under the terms and conditions contained in section 316 of this Act, except that (1) the adjustment provided for in the last sentence of subsection (c) of said section shall be based on farm yields rather than normal yields, and (2) any credit for undermarketing or charge for overmarketing shall be attributed to the farm to which transferred. * * *

The Act (7 U.S.C. 1301(b)) defines the "reserve supply level" of Flue-cured tobacco as the normal supply plus 5 per centum thereof. "Normal supply" is defined as a normal year's domestic consumption and exports, plus 175 per centum of a normal year's domestic consumption and 65 per centum of a normal year's exports. A "normal year's domestic consumption" is defined as the yearly average quantity produced in the United States and consumed in the United States during the 10 marketing years immediately preceding the marketing year in which such consumption is determined, adjusted for current trends in such consumption. A "normal year's exports" is defined as the yearly average quantity produced in the United States which was exported from the United States during the 10 marketing years immediately preceding the marketing year in which such exports are determined, adjusted for current trends in such exports.

The subjects and issues involved in the proposed determinations with respect to Flue-cured tobacco for the 1969-70 marketing year are:

1. The amount of the national marketing quota on an acreage-poundage basis.
2. The amount of the national average yield goal.
3. The amount of the national acreage allotment.
4. The amount of acreage to be reserved from the national acreage allotment for making corrections in farm acreage allotments, adjusting inequities, and for establishing acreage allotments for new farms.
5. The national acreage factor.
6. The national yield factor.

The community average yields, as computed in 1965 (30 F.R. 6207, 9875, 14487), will be used for the 1969-70 marketing year.

Consideration will be given to data, views and recommendations pertaining to the proposed determinations, rules, and regulations covered by this notice which are submitted in writing to the Director, Policy and Program Appraisal Division, Agricultural Stabilization and Conservation Service, U.S. Department of Agriculture, Washington, D.C. 20250.

All written submissions made pursuant to this notice will be made available for public inspection at such times and

places and in a manner convenient to the public business (7 CFR 1.27(b)). All submissions must, in order to be considered, be postmarked not later than 30 days from the date of publication of this notice in the FEDERAL REGISTER.

Signed at Washington, D.C., on October 14, 1968.

E. A. JAENKE,
Acting Administrator, Agricultural Stabilization and Conservation Service.

[F.R. Doc. 68-12706; Filed, Oct. 17, 1968; 8:49 a.m.]

Consumer and Marketing Service [7 CFR Part 53]

LAMB, YEARLING MUTTON, AND MUTTON CARCASSES; SLAUGHTER LAMBS, YEARLINGS, AND SHEEP Standards for Grades; Extension of Time for Filing Comments

On August 16, 1968, a notice was published in the FEDERAL REGISTER (33 F.R. 11663) proposing to amend (1) the standards for grades of lamb, yearling mutton, and mutton carcasses (7 CFR 53.114-53.118), and (2) the standards for grades of slaughter lambs, yearlings, and sheep (7 CFR 53.130-53.134), pursuant to authority conferred by the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1622, 1624). A 60-day period was provided within which interested persons could submit written comments concerning the proposal by filing them with the Hearing Clerk. It is now deemed advisable to extend the time for filing such comments until December 10, 1968. Therefore, any person who desires to submit written data, views, or arguments concerning the proposal may do so by filing them in duplicate with the Hearing Clerk, U.S. Department of Agriculture, Washington, D.C. 20250 by December 10, 1968.

All written submissions made pursuant to this notice will be made available for public inspection at times and places and in a manner convenient to the public business (7 CFR 1.27(b)).

Done at Washington, D.C., this 15th day of October 1968.

G. R. GRANGE,
*Deputy Administrator,
Marketing Services.*

[F.R. Doc. 68-12710; Filed, Oct. 17, 1968; 8:49 a.m.]

DEPARTMENT OF HEALTH, EDU- CATION, AND WELFARE

Social and Rehabilitation Service [45 CFR Part 280]

UNDERGRADUATE AND GRADUATE PROGRAMS IN SOCIAL WORK

Grants for Expansion and Development

Notice is hereby given that the regulations set forth in tentative form below

are proposed by the Administrator, Social and Rehabilitation Service, with the approval of the Secretary of Health, Education, and Welfare. The proposed regulations relate to the program of grants for expansion and development of undergraduate and graduate programs in social work authorized by section 707 of the Social Security Act, 42 U.S.C. 908.

Prior to the adoption of the proposed regulations, consideration will be given to any comments, suggestions, or objections thereto which are submitted in writing to the Administrator, Social and Rehabilitation Service, Department of Health, Education, and Welfare, 330 Independence Avenue SW., Washington, D.C. 20201, within a period of 30 days from the date of publication of this notice in the FEDERAL REGISTER.

The proposed regulations are to be issued under the authority contained in section 1102, 49 Stat. 647, 42 U.S.C. 1302; section 707, 81 Stat. 930, 42 U.S.C. 908.

Dated: October 3, 1968.

[SEAL] MARY E. SWITZER,
*Administrator, Social and
Rehabilitation Service.*

Approved: October 11, 1968.

WILBUR J. COHEN,
Secretary.

Chapter II of Title 45 of the Code of Federal Regulations is amended by adding a new Part 280.

This part is added to provide regulations for the program of grants for expansion and development of undergraduate and graduate programs in social work authorized by section 707 of the Social Security Act, 42 U.S.C. 908 (as amended by section 401 of the Social Security Amendments of 1967 (Public Law 90-248)).

Federal financial assistance extended under this part is subject to the Regulations in 45 CFR Part 80, issued by the Secretary of Health, Education, and Welfare, and approved by the President, to effectuate the provisions of section 601 of the Civil Rights Act of 1964 (42 U.S.C. 2000d).

PART 280—GRANTS FOR EXPAN- SION AND DEVELOPMENT OF UNDERGRADUATE AND GRADUATE PROGRAMS IN SOCIAL WORK

§ 280.1 Purpose.

The Administrator, Social and Rehabilitation Service, is authorized to make grants to meet part of the costs of development, expansion, or improvement of undergraduate programs in social work and programs for the graduate training of professional social work personnel.

§ 280.2 Definitions.

As used in this part:

(a) "Service" means the Social and Rehabilitation Service in the U.S. Department of Health, Education, and Welfare.

(b) "Administrator" means the Administrator, Social and Rehabilitation Service.

(c) "School of social work" means a department, school, division, or other ad-

ministrative unit, in a public or nonprofit private college or university, which provides, primarily or exclusively, a program of education in social work and allied subjects leading to a graduate degree in social work, and which is accredited or has been granted candidacy for accreditation by the Council on Social Work Education.

(d) "Nonprofit" as applied to any college or university refers to a college or university which is a corporation or association, or is owned and operated by one or more corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

§ 280.3 Eligibility for grants.

Grants may be made to:

(a) Public or nonprofit private colleges and universities, for expansion, development, and improvement of baccalaureate undergraduate programs in social work;

(b) Schools of social work, for expansion, development, and improvement of programs for the graduate training of professional social work personnel;

(c) Public or nonprofit private colleges and universities which have schools of social work, for the expansion, development, and improvement of combined graduate-undergraduate programs in social work;

(d) Associations of schools of social work and regional education associations, for the purposes described in paragraphs (a), (b), and (c) of this section.

§ 280.4 Matching requirements.

Federal funds will be granted on the basis of project applications, and may pay only part of the cost of the supported activity. The applicant must identify by dollar amount its contribution to the project.

§ 280.5 Applications.

Any applicant for a grant under this part may file application therefor with Office of Research, Demonstrations and Training, Division of Grants Management, Social and Rehabilitation Service, Department of Health, Education, and Welfare, Washington, D.C. 20201, on such forms and containing such information as the Service may prescribe. The project application shall cover:

- (a) The purpose of the project;
- (b) A description of the nature and scope of the activities to be undertaken and methods to be used in accomplishing the purpose;
- (c) A proposed budget;
- (d) Designation of an individual as project director; and
- (e) Such other information as the Service may require.

Applications will be considered by an Advisory Committee which will make recommendations to the Administrator. The Administrator then determines the action to be taken with respect to each application, and informs the applicant accordingly.

§ 280.6 Grant awards.

All grant awards shall be in writing, shall set forth the amount of funds granted, and shall constitute for such amounts the encumbrance of Federal funds available for such purpose on the date of the award. The initial award shall specify the project period for which support is contemplated if the activity is successfully carried out and Federal funds are available. For continuation support, grantees must make separate application in the form and detail required by the Service.

§ 280.7 Criteria in judging applications.

Applications will be considered from a nationwide perspective of the relative need in the regions and States for personnel trained in social work, and with regard to the potential of the educational institutions, to contribute increased numbers of qualified individuals to the manpower needs in these areas, by use of these funds. Among relevant factors to be considered special emphasis will be placed on innovation in curriculum objectives, content and methods.

§ 280.8 Revisions.

A grantee shall request that the project be revised whenever the approved plan of operation or method of financing is materially changed. Revisions originating with the grantee shall be submitted in writing and will be given appropriate review. Project revisions may be initiated by the Administrator if, on the basis of reports, it appears that Federal funds are not being used effectively, or if changes are made in Federal appropriations, laws, regulations, or policies governing these grants.

§ 280.9 Use of funds.

Project funds are available for the costs of operating projects as approved by the Administrator. Funds may be used for:

- (a) Salaries, cost of travel, and related expenses of project personnel;
- (b) Necessary supplies, equipment, and related expenses;
- (c) Administrative costs directly related to the project, and indirect costs at a rate prescribed by the Department of Health, Education, and Welfare. Expenditures under the project shall be in connection with the conduct of the project as approved;
- (d) Minor improvements to existing facilities of undergraduate or graduate programs in social work.

§ 280.10 Termination.

If for any reason the grantee discontinues an approved project, the grantee shall notify the Administrator in writing, giving the reasons for termination, an accounting of funds granted for the project, and other pertinent information. The grant may be terminated, in whole or in part, at any time at the discretion of the Administrator. The grantee will be given prompt notice of the termination, including the reasons therefor. Such termination shall not affect obligations incurred prior to the termination of the grant. Upon termination of a project, the proportion of unexpended funds attributable to the Federal grant shall be refunded.

§ 280.11 Publications and copyright.

Grantees may publish results of any activity assisted by the grant without prior review by the Service. Any such publication must acknowledge the assistance received under the grant, and copies must be furnished to the Service. Where a project results in a book or other copyrightable material, the author is free to copyright the work, but the Service reserves a royalty free, nonexclusive, and irrevocable license to reproduce, publish, or otherwise use, and to authorize others to use, all copyrightable or copyrighted material resulting from the grant-supported activity.

§ 280.12 Records and reports.

(a) The grantee shall establish and follow such accounting, budgetary, and other fiscal procedures as are necessary for the proper and efficient administration of the project, and shall maintain fiscal records. Such records shall show for each grant period the amount and disposition by the grantee of project funds, the total cost for the grant period, and such other records as will facilitate and effective audit.

(b) The grantee shall account for all expenditures of project funds by presenting or otherwise making available vouchers or other evidence, satisfactory to the Service, of such expenditures.

(c) The grantee shall provide a progress report with each submission of an application for continuation support. A final project report shall be submitted not later than 3 months after the termination of a project.

(d) The grantee shall maintain such other records and make such other reports, in such form and containing such information, as the Service may require.

Effective date. The regulations in this part shall be effective on the date of their publication in the FEDERAL REGISTER.

[F.R. Doc. 68-12699; Filed, Oct. 17, 1968; 8:48 a.m.]

Notices

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

LANDS AND RESOURCES

Redelegation of Authority; Correction

In F.R. Doc. 68-12240, published October 9, 1968 (33 F.R. 15078), paragraph 4 is corrected to read:

4. A new paragraph (1) is added to section 3.2.

SEC. 3.2 *General and miscellaneous matters.* * * *

(1) Acquisition of easements and rights-of-way.

JOHN O. CROW,
Associate Director.

OCTOBER 14, 1968.

[F.R. Doc. 68-12661; Filed, Oct. 17, 1968;
8:45 a.m.]

Fish and Wildlife Service

[Docket No. Sub-G-17]

APARICIO BROS.

Notice of Hearing

Aparicio Bros., 3714 Lincoln, Corpus Christi, Tex. 78415, has applied for a fishing vessel construction differential subsidy to aid in the construction of a 78-foot length overall steel vessel to engage in the fishery for shrimp.

Notice is hereby given pursuant to the provisions of the United States Fishing Fleet Improvement Act (Public Law 88-498) and notice and hearing on subsidies (50 CFR Part 257) that a hearing in the above-entitled proceedings will be held on December 2, 1968, at 10 a.m. e.s.t., in Room 3356, Interior Building, 18th and C Streets NW., Washington, D.C. Any person desiring to intervene must file a petition of intervention with the Director, Bureau of Commercial Fisheries, as prescribed in 50 CFR Part 257, at least 10 days prior to the date set for the hearing. If such petition of intervention is granted, the place of the hearing may be changed to a field location. Telegraphic notice will be given to the parties in the event of such a change, along with the new location.

J. L. McHUGH,
Acting Director,
Bureau of Commercial Fisheries.

[F.R. Doc. 68-12662; Filed, Oct. 17, 1968;
8:45 a.m.]

Office of the Secretary

HOWARD A. BECK

Statement of Changes in Financial Interests

In accordance with the requirements

of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past 6 months:

- (1) No change.
- (2) Deletion—Chenango & Unadilla Telephone Corp. Addition—Continental Telephone Corp.
- (3) No change.
- (4) No change.

This statement is made as of October 7, 1968.

Dated: October 7, 1968.

HOWARD A. BECK.

[F.R. Doc. 68-12672; Filed, Oct. 17, 1968;
8:46 a.m.]

JAMES S. BROADDUS

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past 6 months:

- (1) None.
- (2) None.
- (3) None.
- (4) None.

This statement is made as of September 30, 1968.

Dated: September 30, 1968.

JAMES S. BROADDUS.

[F.R. Doc. 68-12673; Filed, Oct. 17, 1968;
8:46 a.m.]

JOHN W. HIERONYMUS

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past 6 months:

- (1) No change.
- (2) No change.
- (3) No change.
- (4) No change.

This statement is made as of September 27, 1968.

Dated: September 27, 1968.

JOHN W. HIERONYMUS.

[F.R. Doc. 68-12674; Filed, Oct. 17, 1968;
8:46 a.m.]

HENRY K. HOLLAND

Report of Appointment and Statement of Financial Interests

OCTOBER 14, 1968.

Pursuant to section 302(a) of Executive Order 10647, the following information on a WOC appointee in the Department of the Interior is furnished for publication in the FEDERAL REGISTER:

Name of appointee: Henry K. Holland.
Name of employing agency: Office of Oil and Gas, U.S. Department of the Interior.
The title of the appointee's position: Regional Administrator, Emergency Petroleum and Gas Administration, Region 6.
The name of the appointee's private employer or employers: Mobil Oil Corp.

The statement of "financial interests" for the above appointee is set forth below.

STEWART L. UDALL,
Secretary of the Interior.

SEPTEMBER 13, 1968.

APPOINTEE'S STATEMENT OF FINANCIAL INTERESTS

In accordance with the requirements of section 302(b) of Executive Order 10647, I am filing the following statement for publication in the FEDERAL REGISTER.

(1) Names of any corporations of which I am, or had been within 60 days preceding my appointment, on September 16, 1968, as Regional Administrator, Region 6, EPGA, an officer or director:

None. (I am a Regional Vice President—North American Division—for Mobil Oil Corp.; however, this position is not considered to be an officer or director of Mobil.)

(2) Names of any corporations in which I own, or did own within 60 days preceding my appointment, any stocks, bonds, or other financial interests:

Mobil Oil Corp.

(3) Names of any partnerships in which I am associated, or had been associated within 60 days preceding my appointment:

None.

(4) Names of any other businesses which I own, or owned within 60 days preceding my appointment:

None.

HENRY K. HOLLAND, Jr.,

OCTOBER 1, 1968.

[F.R. Doc. 68-12671; Filed, Oct. 17, 1968;
8:46 a.m.]

GEORGE F. HRUBESKY

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Pro-

duction Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past 6 months:

- (1) Vice President—Power Generation and Engineering.
- (2) No change.
- (3) None.
- (4) None.

This statement is made as of September 30, 1968.

Dated: September 30, 1968.

GEORGE F. HRUBESKY.

[F.R. Doc. 68-12675; Filed, Oct. 17, 1968; 8:46 a.m.]

HARRY J. PECKHEISER

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past 6 months:

- (1) None.
- (2) None.
- (3) None.
- (4) None.

This statement is made as of October 15, 1968.

Dated: October 9, 1968.

H. J. PECKHEISER.

[F.R. Doc. 68-12676; Filed, Oct. 17, 1968; 8:46 a.m.]

KENNETH I. SEWELL

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past 6 months:

- (1) No change.
- (2) No change.
- (3) No change.
- (4) No change.

This statement is made as of September 27, 1968.

Dated: September 27, 1968.

K. I. SEWELL.

[F.R. Doc. 68-12677; Filed, Oct. 17, 1968; 8:46 a.m.]

E. F. TIMME

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in

my financial interests during the past 6 months:

- (1) No change.
- (2) No change.
- (3) No change.
- (4) No change.

This statement is made as of September 30, 1968.

Dated: September 30, 1968.

E. F. TIMME.

[F.R. Doc. 68-12678; Filed, Oct. 17, 1968; 8:46 a.m.]

EDWARD W. WELCH

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests during the past 6 months:

- (1) Have purchased about \$3,000 in savings certificate, in last 6 months. Otherwise, my financial situation is status quo, as of last report, no reduction.
- (2) None.
- (3) None.
- (4) None.

This statement is made as of October 1st, 1968.

Dated: October 1, 1968.

E. W. WELCH.

[F.R. Doc. 68-12679; Filed, Oct. 17, 1968; 8:47 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Research Service ORGANIZATION, AUTHORITIES, AND RESPONSIBILITIES

This notice outlines the basic authorities of the Agricultural Research Service as set forth in the Secretary's statement of November 27, 1964 (29 F.R. 16210), as amended at 30 F.R. 286, 30 F.R. 5801, 31 F.R. 4975, and 32 F.R. 7875, and assignments of overall responsibilities within the Agricultural Research Service (ARS). This statement consolidates and supersedes the ARS Statement of Organization, Authorities and Responsibilities published at 30 F.R. 5799, as amended at 31 F.R. 101, 1208, and 3350, and 31 F.R. 4974. In addition, the following changes are made:

1. International Programs Division takes the place of Foreign Research and Technical Programs Division reporting directly to the Administrator.

2. Establishment of Program Planning and Evaluation Staff reporting directly to the Administrator and termination of the Product and Process Evaluation Staff in the Office of the Deputy Administrator, Nutrition, Consumer and Industrial Use Research.

3. Establishment of Data Systems Application Division reporting directly to

the Deputy Administrator, Administrative Management.

4. Establishment of Southeastern Utilization Research and Development Division reporting directly to the Deputy Administrator, Nutrition, Consumer and Industrial Use Research.

I. *Responsibilities and Authorities of the Administrator.* A. The Administrator is responsible for the programs and activities of ARS. The Administrator reports to the Director of Science and Education.

B. Subject to the Reservations in the Secretary and the Judicial Officer, the Administrator is authorized to execute any document, authorize any expenditure, and promulgate any rule, regulation, order or instruction required by law or deemed by him to be necessary and proper to the discharge of the functions assigned to the Agricultural Research Service and to delegate and provide for the redelegation of his authority to appropriate officers and employees consistent with and with due regard to his personal responsibilities for the proper discharge of functions assigned to the Service. Delegations and provision for redelegation as appropriate to ARS are stated in section II below.

II. *Delegation of authority in ARS.* A. To Associate Administrator: The Associate Administrator is authorized to act for the Administrator in performing all functions for which the Administrator is responsible.

B. To Deputy Administrators and Division Directors: The Deputy Administrators and Division Directors, and those officers they designate—with prior specific approval of the Administrator—to act for them, are delegated the authorities not specifically reserved in section III below which are necessary to the discharge of responsibilities assigned to them. This delegation does not preclude the Administrator from exercising any of the powers or functions, or from performing any of the duties listed herein, and such authority is subject at all times to withdrawal or amendment.

III. *Reservations.* The following authorities and responsibilities are reserved to the Administrator.

A. The initiation, change, or discontinuance of major areas of research or regulatory and control activities conducted by ARS.

B. The issuance of regulations pursuant to law, except as provided in section V, paragraph D.

C. The transfer of functions, funds, property, or personnel between divisions of ARS.

D. The approval of any change in the formal organization of ARS including a section, its equivalent, or higher level.

E. The making of recommendations to the Department concerning establishment, consolidation, change in location, or abolishment of (1) Field Administrative Divisions, Regional, State, and other field headquarters offices, and (2) any region or other program administrative area that includes two or more States, or that cuts across a State line (other than temporary administrative areas).

F. Authority to establish, consolidate, or change a location, or abolish any field office or change program area boundaries not included in E above.

G. Approval of all appointments and promotions to GS-14 and above, and all reassignments in GS-14 and above involving a basic change in the nature of the assignment.

H. Authorization for foreign travel, and recommendation to the Department for approval of attendance at international and foreign meetings.

I. Approval of budget estimates.

J. Approval of work projects and recommendation of financial projects to the Department.

IV. *Responsibilities of divisions and staff offices reporting directly to the Administrator.* A. International Programs Division: Responsible for making grants and executing contracts for the Department of Agriculture carried out by foreign governments and scientific organizations under Public Law 83-480 (7 U.S.C. 1704 (a) and (k)) and related legislation, and for overall activities located outside the United States.

B. Information Division: Responsible for the overall information program for research and regulatory and control activities in ARS.

C. Program Planning and Evaluation Staff: Responsible for advising and assisting the Administrator in planning, programing, and evaluating ARS activities through analysis of present and proposed multidivision programs and developing the component of the Department's Multiyear Program and Financial Plan.

D. Emergency Programs Staff: Responsible for developing and administering civil defense emergency programs concerning the protection of the Nation's crop and livestock industries.

E. Legislation and Special Assignments Staff: Responsible for advising and assisting the Administrator on matters relating to the ARS legislative programs, committee management, and secretarial and congressional correspondence.

V. *Responsibilities of Deputy Administrators.* Deputy Administrators are responsible (1) for assisting and acting for and as the Administrator in the overall planning and administration of programs and activities of ARS, (2) for approval of line projects within their respective areas, and (3) for directing and coordinating the overall program within their respective areas as indicated in A through E below.

A. Deputy Administrator, Farm Research: The Divisions and staff offices listed below report to the Deputy Administrator, Farm Research. Working together under the leadership of the Deputy Administrator, Directors of these Divisions, either directly or in cooperation with Federal, State, public, and private agencies as appropriate, plan, organize, coordinate, and direct a national program of farm research:

Agricultural Engineering Research Division.
Animal Disease and Parasite Research Division.

Animal Husbandry Research Division.
Crops Research Division.

Entomology Research Division.

Soil and Water Conservation Research Division.

Biometrical Services Staff.

Radiological Safety Staff.

B. Deputy Administrator, Nutrition, Consumer and Industrial Use Research: The Divisions listed below report to the Deputy Administrator, Nutrition, Consumer and Industrial Use Research. Working together under the leadership of the Deputy Administrator, Directors of these Divisions, either directly or in cooperation with Federal, State, public, and private agencies as appropriate, plan, organize, coordinate, and direct a national program of research and development to provide new, wider, and more effective uses for agricultural products and by-products.

Consumer and Food Economics Research Division.

Eastern Utilization Research and Development Division.

Human Nutrition Research Division.

Northern Utilization Research and Development Division.

Southeastern Utilization Research and Development Division.

Southern Utilization Research and Development Division.

Western Utilization Research and Development Division.

C. Deputy Administrator, Marketing Research: The Divisions listed below report to the Deputy Administrator, Marketing Research. Working together under the leadership of the Deputy Administrator, Directors of these Divisions, either directly or in cooperation with Federal, State, public, and private agencies as appropriate, plan, organize, coordinate, and direct a national program of research related to the measurement, improvement and protection of the quality of agricultural commodities as they move through the marketing system and to increased efficiency and the reduction of marketing costs.

Market Quality Research Division.

Transportation and Facilities Research Division.

D. Deputy Administrator, Regulatory and Control: The Deputy Administrator, Regulatory and Control, is authorized to issue regulations (including quarantines) pursuant to law relating to matters within his area and may, in such regulations redelegate authority to the Directors of the Divisions under his jurisdiction to issue administrative instructions and issuances specified by him. The Divisions listed below report to the Deputy Administrator, Regulatory and Control. Working together under the leadership of the Deputy Administrator, Directors of these Divisions, either directly or in cooperation with Federal, State, public, and private agencies as appropriate, plan, organize, coordinate, and direct a national regulatory and control program.

Animal Health Division.

Pesticides Regulation Division.

Plant Pest Control Division.

Plant Quarantine Division.

Veterinary Biologics Division.

E. Deputy Administrator, Administrative Management: The Deputy Administrator, Administrative Management,

has responsibility throughout ARS for administrative management, including policy formulation, program development and effectiveness of operation. The Divisions and Staff listed below report to the Deputy Administrator, and assist him in formulating, directing, coordinating and integrating the overall administrative management activities to meet requirements of ARS programs.

Administrative Services Division.

Budget Division.

Finance Division.

Personnel Division.

Operations Analysis and Systems Development Staff.

Data Systems Application Division.

Field Administrative Divisions (3).

Division of Operations, Agricultural Research Center.

The Administrative Services Division is responsible for the acquisition and disposition of certain lands under title III of the Bankhead-Jones Farm Tenant Act and related provisions of title IV thereof (7 U.S.C. 1011-1012). The Director of the Administrative Services Division is authorized to make grants under the provisions of 42 U.S.C. 1891-1893 and 7 U.S.C. 450i, and to execute domestic research contracts under the provisions of the Research and Marketing Act of 1946 (7 U.S.C. 427i and 1624). The Deputy Administrator, Administrative Management, is also specifically responsible for:

1. Administrative functions (on behalf of the Secretary of Agriculture) relating to the acquisition and administration of patent rights.

2. The execution of cooperative agreements and Master Memoranda of Understanding; all agreements between ARS and another agency of the Department or with another agency of the Federal Government; and all agreements which would require signature by more than one Deputy Administrator.

3. Approval of attendance at national meetings.

Done at Washington, D.C., this 15th day of October 1968.

R. J. ANDERSON,
Acting Administrator,
Agricultural Research Service.

[F.R. Doc. 68-12705; Filed, Oct. 17, 1968;
8:49 a.m.]

Commodity Credit Corporation

LIVESTOCK FEED PROGRAM

Notice of Designation of Emergency Area

Notice is hereby given that, pursuant to the provisions of section 407 of the Agricultural Act of 1949, as amended (7 U.S.C. 1472, 63 Stat. 1055), and the Act of September 21, 1959, as amended (sections 1-4, 73 Stat. 574), the Secretary of Agriculture has designated the county specified in this notice as an emergency area for purposes of the Livestock Feed Program (7 CFR Part 1475, as amended). Feed grains will be made available for sale to livestock owners in this county in accordance with the terms and condi-

tions in the regulations for such program. The designated county is as follows: Harney County, Oreg.

Signed at Washington, D.C., on October 11, 1968.

RAY FITZGERALD,
Vice President of the
Commodity Credit Corporation.

[F.R. Doc. 68-12680; Filed, Oct. 17, 1968;
8:47 a.m.]

[Amdt. 4]

PRICE SUPPORT PROGRAMS; 1964 AND SUBSEQUENT CROPS

Announcement of Interest Rate

The announcement issued by Commodity Credit Corporation, published in 29 F.R. 4109 as amended at 29 F.R. 11133, 30 F.R. 7198 and 32 F.R. 17899, of the rate of interest applicable to price support programs on 1964 and subsequent crops or production, is hereby further amended with respect to the interest rate applicable to a loan secured by collateral with respect to which CCC determines that there has been an innocent unlawful disposition.

Section (3) is amended to read as follows:

(3) Notwithstanding the foregoing if there has been fraudulent representation in the loan documents, in obtaining the loan, or in connection with settlement or delivery under the loan, or there has been an unlawful disposition of any part of the commodity under loan, the loan indebtedness and related charges shall bear interest at the per annum rate of 6 percent from the date of disbursement thereof: *Provided*, That, notwithstanding the provisions of the loan documents, if CCC determines that the unlawful disposition was an innocent, non-willful conversion, the loan indebtedness and related charges shall bear interest at the regular price support rate specified in paragraphs (1) and (2), as applicable, of this announcement.

(Sec. 4, 62 Stat. 1070, as amended, 15 U.S.C. 714b; 63 Stat. 1051, as amended, 7 U.S.C. 1421 et seq.)

Effective on date of publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on October 14, 1968.

E. A. JAENKE,
Acting Executive Vice President,
Commodity Credit Corporation.

[F.R. Doc. 68-12707; Filed, Oct. 17, 1968;
8:49 a.m.]

Office of the Secretary NORTH CAROLINA

Designation of Area for Emergency Loans

For the purpose of making emergency loans pursuant to section 321 of the Consolidated Farmers Home Administration

Act of 1961 (7 U.S.C. 1961), it has been determined that in the hereinafter-named counties in the State of North Carolina, natural disasters have caused a need for agricultural credit not readily available from commercial banks, cooperative lending agencies, or other responsible sources.

NORTH CAROLINA

Caswell.	Moore.
Jones.	Stokes.
Madison.	Vance.
Madison.	Washington.
Montgomery.	Wilson.

Pursuant to the authority set forth above, emergency loans will not be made in the above-named counties after June 30, 1969, except to applicants who previously received emergency or special livestock loan assistance and who can qualify under established policies and procedures.

Done at Washington, D.C., this 14th day of October 1968.

ORVILLE L. FREEMAN,
Secretary.

[F.R. Doc. 68-12683; Filed, Oct. 17, 1968;
8:47 a.m.]

DEPARTMENT OF COMMERCE

Maritime Administration

UNITED STATES LINES, INC.

Notice of Application for Approval of Cruises

Notice is hereby given that United States Lines, Inc., has applied for approval pursuant to section 613 of the Merchant Marine Act, 1936, as amended, of the following cruises by the "SS United States" in 1969:

Departs New York	Returns New York	Itinerary
Jan. 23	Mar. 3	Curacao, Rio de Janeiro, Cape Town, Port Elizabeth, Luanda, Dakar, Tenerife, Gibraltar, Lisbon, Funchal.
Mar. 5	Mar. 12	Martinique, St. Thomas.
Mar. 28	Apr. 13	Gibraltar, Cannes, Palma, Madeira, Bermuda.

¹ Modification of a cruise published in the FEDERAL REGISTER of Feb. 21, 1968 (33 F.R. 3239), and approved by the Maritime Subsidy Board on Apr. 9, 1968.

Any person, firm or corporation having any interest, within the meaning of Public Law 87-45, in the foregoing who desires to offer data, views, and arguments should submit the same in writing, in triplicate, to the Secretary, Maritime Subsidy Board, Washington, D.C. 20235, by the close of business on October 30, 1968. In the event an opportunity to present oral argument is also desired, specific reason for such request should also be included. The Maritime Subsidy Board will consider these comments and views and take such action with respect thereto as in its discretion it deems warranted.

By order of the Maritime Subsidy Board.

Dated: October 15, 1968.

JAMES S. DAWSON, Jr.,
Secretary.

[F.R. Doc. 68-12704; Filed, Oct. 17, 1968;
8:49 a.m.]

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ACTING ASSISTANT REGIONAL AD- MINISTRATOR FOR RENEWAL AS- SISTANCE, REGION I (NEW YORK)

Designation

The officers appointed to the following listed positions in Region I (New York) are hereby designated to serve as Acting Assistant Regional Administrator for Renewal Assistance, Region I, during the absence of the Assistant Regional Administrator for Renewal Assistance, with all the powers, functions, and duties re-delegated or assigned to the Assistant Regional Administrator for Renewal Assistance, provided that no officer is authorized to serve as Acting Assistant Regional Administrator for Renewal Assistance unless all other officers whose titles precede his in this designation are unable to act by reason of absence:

1. Deputy Assistant Regional Administrator for Renewal Assistance.
2. Assistant to Assistant Regional Administrator for Renewal Assistance.
3. Director, Field Service Division.
4. Chief, Fiscal Management Branch.

The designation effective February 13, 1967 (32 F.R. 3476, Mar. 2, 1967), is hereby revoked.

(Delegation effective May 4, 1962, 27 F.R. 4319; Dept. Interim Order II, 31 F.R. 815, Jan. 21, 1966)

Effective as of the 1st day of September 1968.

JUDAH GRIBETZ,
Regional Administrator, Region I.

[F.R. Doc. 68-12669; Filed, Oct. 17, 1968;
8:46 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-312]

SACRAMENTO MUNICIPAL UTILITY DISTRICT

Notice of Issuance of Provisional Construction Permit

Notice is hereby given that, pursuant to the initial decision of the Atomic Safety and Licensing Board, dated October 10, 1968, the Director of the Division of Reactor Licensing has issued Provisional Construction Permit No. CPPR-56 to Sacramento Municipal Utility District for the construction of a pressurized water nuclear reactor, designated

as the Rancho Seco Nuclear Generating Station Unit No. 1 to be located on the licensee's site in Southeast Sacramento County, Calif.

A copy of the initial decision is on file in the Commission's Public Document Room, 1717 H Street NW., Washington, D.C.

Dated at Bethesda, Md., this 11th day of October 1968.

For the Atomic Energy Commission.

PETER A. MORRIS,

Director,

Division of Reactor Licensing.

[F.R. Doc. 68-12670; Filed, Oct. 17, 1968; 8:46 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 20283; Order 68-10-64]

CABLE FLYING SERVICE, INC.

Order To Show Cause Regarding Service Mail Rate

Issued under delegated authority, October 14, 1968.

The Postmaster General filed a notice of intent September 24, 1968, pursuant to 14 CFR Part 298, petitioning the Board to establish for the above-captioned air taxi operator, a final service mail rate of 67 cents per great circle aircraft mile for the transportation of mail by aircraft between Santa Maria and Los Angeles, Calif.

No protest or objection was filed against the proposed services during the time for filing such objections. The Postmaster General states that the Department and the carrier agree that the above rate is a fair and reasonable rate of compensation for the proposed services. The Postmaster General believes these services will meet postal needs in the market. He states the air taxi plans to initiate mail service with twin-engine Beechcraft, Model D-18 aircraft equipped for all-weather operation.

It is in the public interest to fix, determine, and establish the fair and reasonable rate of compensation to be paid by the Postmaster General for the proposed transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between the aforesaid points. Upon consideration of the notice of intent and other matters officially noticed, it is proposed to issue an order¹ to include the following findings and conclusions:

The fair and reasonable final service mail rate to be paid to Cable Flying Service, Inc., in its entirety by the Postmaster General pursuant to section 406 of the Act for the transportation of mail by aircraft, the facilities used and useful

therefor, and the services connected therewith, shall be 67 cents per great circle aircraft mile between Santa Maria and Los Angeles, Calif.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 406 thereof, and regulations promulgated in 14 CFR Part 302, 14 CFR Part 298, and 14 CFR 385.14(f):

It is ordered, That:

1. Cable Flying Service, Inc., the Postmaster General, Air West, Inc., and all other interested persons are directed to show cause why the Board should not adopt the foregoing proposed findings and conclusions and fix, determine, and publish the final rate specified above for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith as specified above as the fair and reasonable rate of compensation to be paid to Cable Flying Service, Inc.;

2. Further procedures herein shall be in accordance with 14 CFR Part 302, and notice of any objection to the rate or to the other findings and conclusions proposed herein, shall be filed within 10 days, and if notice is filed, written answer and supporting documents shall be filed within 30 days after service of this order;

3. If notice of objection is not filed within 10 days after service of this order, or if notice is filed and answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and fix and determine the final rate specified herein;

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable final rate shall be limited to those specifically raised by the answer, except insofar as other issues are raised in accordance with Rule 307 of the rules of practice (14 CFR 302.307); and

5. This order shall be served upon Cable Flying Service, Inc., the Postmaster General, and Air West, Inc.

This order will be published in the FEDERAL REGISTER.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 68-12694; Filed, Oct. 17, 1968; 8:48 a.m.]

[Docket No. 20273; Order 68-10-61]

EUREKA AERO INDUSTRIES

Order To Show Cause Regarding Service Mail Rate

Issued under delegated authority, October 14, 1968.

The Postmaster General filed a notice of intent September 24, 1968, pursuant to 14 CFR Part 298, petitioning the Board to establish for the above captioned air taxi operator, a final service mail rate of 60 cents per great circle aircraft mile for the transportation of

mail by aircraft between Eureka and San Francisco, Calif.

No protest or objection was filed against the proposed services during the time for filing such objections. The Postmaster General states that the Department and the carrier agree that the above rate is a fair and reasonable rate of compensation for the proposed services. The Postmaster General believes these services will meet postal needs in the market. He states the air taxi plans to initiate mail service with de Havilland Dove or Cessna Model DH 104 or U-402 twin-engine aircraft equipped for all weather operation.

It is in the public interest to fix, determine, and establish the fair and reasonable rate of compensation to be paid by the Postmaster General for the proposed transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between the aforesaid points. Upon consideration of the notice of intent and other matters officially noticed, it is proposed to issue an order¹ to include the following findings and conclusions:

The fair and reasonable final service mail rate to be paid to Eureka Aero Industries, in its entirety by the Postmaster General pursuant to section 406 of the Act for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, shall be 60 cents per great circle aircraft mile between Eureka and San Francisco, Calif.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 406 thereof, and regulations promulgated in 14 CFR Part 302, 14 CFR Part 298, and 14 CFR 385.14(f):

It is ordered, That:

1. Eureka Aero Industries, the Postmaster General, Air West, Inc., and all other interested persons are directed to show cause why the Board should not adopt the foregoing proposed findings and conclusions and fix, determine, and publish the final rate specified above for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith as specified above as the fair and reasonable rate of compensation to be paid to Eureka Aero Industries;

2. Further procedures herein shall be in accordance with 14 CFR Part 302, and notice of any objection to the rate or to the other findings and conclusions proposed herein, shall be filed within 10 days, and if notice is filed, written answer and supporting documents shall be filed within 30 days after service of this order;

3. If notice of objection is not filed within 10 days after service of this order, or if notice is filed and answer is not

¹ As this order to show cause is not a final action but merely affords interested persons an opportunity to be heard on the matters herein proposed, it is not regarded as subject to the review provisions of Part 385 (14 CFR Part 385). These provisions for Board review will be applicable to final action taken by the staff under authority delegated in § 385.14(g).

¹ As this order to show cause is not a final action but merely affords interested persons an opportunity to be heard on the matters herein proposed, it is not regarded as subject to the review provisions of Part 385 (14 CFR Part 385). These provisions for Board review will be applicable to final action taken by the staff under authority delegated in § 385.14(g).

filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and fix and determine the final rate specified herein;

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable final rate shall be limited to those specifically raised by the answer, except insofar as other issues are raised in accordance with Rule 307 of the rules of practice (14 CFR 302.307); and

5. This order shall be served upon Eureka Aero Industries, the Postmaster General, and Air West, Inc.

This order will be published in the **FEDERAL REGISTER**.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 68-12695; Filed, Oct. 17, 1968;
8:48 a.m.]

[Docket No. 20278; Order 68-10-63]

ROSS AVIATION, INC.

Order To Show Cause Regarding Service Mail Rate

Issued under delegated authority, October 14, 1968.

The Postmaster General filed a notice of intent September 24, 1968, pursuant to 14 CFR Part 298, petitioning the Board to establish for the above captioned air taxi operator, a final service mail rate of 60.87 cents per great circle aircraft mile for the transportation of mail by aircraft between Reno, Nev., and San Francisco, Calif., via Sacramento, Calif.

No protest or objection was filed against the proposed services during the time for filing such objections. The Postmaster General states that the Department and the carrier agree that the above rate is a fair and reasonable rate of compensation for the proposed services. The Postmaster General believes these services will meet postal needs in the market. He states the air taxi plans to initiate mail service with twin-engine Beechcraft, Model 18 aircraft equipped for all-weather operation.

It is in the public interest to fix, determine, and establish the fair and reasonable rate of compensation to be paid by the Postmaster General for the proposed transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between the aforesaid points. Upon consideration of the notice of intent and other matters officially noticed, it is proposed to issue an order¹ to include the following findings and conclusions:

¹ As this order to show cause is not a final action but merely affords interested persons an opportunity to be heard on the matters herein proposed, it is not regarded as subject to the review provisions of Part 385 (14 CFR Part 385). These provisions for Board review will be applicable to final action taken by the staff under authority delegated in § 385.14(g).

The fair and reasonable final service mail rate to be paid to Ross Aviation, Inc., in its entirety by the Postmaster General pursuant to section 406 of the Act for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, shall be 60.87 cents per great circle aircraft mile between Reno, Nev., and San Francisco, Calif., via Sacramento, Calif.

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) and 406 thereof, and regulations promulgated in 14 CFR Part 302, 14 CFR Part 298, and 14 CFR 385.14(f):

It is ordered, That:

1. Ross Aviation, Inc., the Postmaster General, Air West, Inc., United Air Lines, Inc., Western Air Lines, Inc., and all other interested persons are directed to show cause why the Board should not adopt the foregoing proposed findings and conclusions and fix, determine, and publish the final rate specified above for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith as specified above as the fair and reasonable rate of compensation to be paid to Ross Aviation, Inc.;

2. Further procedures herein shall be in accordance with 14 CFR Part 302, and notice of any objection to the rate or to the other findings and conclusions proposed herein, shall be filed within 10 days, and if notice is filed, written answer and supporting documents shall be filed within 30 days after service of this order;

3. If notice of objection is not filed within 10 days after service of this order, or if notice is filed and answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and fix and determine the final rate specified herein;

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable final rate shall be limited to those specifically raised by the answer, except insofar as other issues are raised in accordance with Rule 307 of the rules of practice (14 CFR 302.307); and

5. This order shall be served upon Ross Aviation, Inc., the Postmaster General, Air West, Inc., United Air Lines, Inc., and Western Air Lines, Inc.

This order will be published in the **FEDERAL REGISTER**.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 68-12696; Filed, Oct. 17, 1968;
8:48 a.m.]

[Docket No. 19311, etc.; Order 68-10-66]

SEDALIA, MARSHALL, BOONVILLE STAGE LINE, INC.

Order To Show Cause Regarding Service Mail Rate

Issued under delegated authority, October 14, 1968.

By notices of intent filed on November 29 and 30, 1967, pursuant to 14 CFR Part 298, the Postmaster General petitioned the Board to establish for Sedalia, Marshall, Boonville Stage Line, Inc. (Sedalia), an air taxi operator, final service mail rates for the transportation of mail by aircraft. These final rates were established by Order E-26205, dated January 2, 1968.

On September 19, 1968, the Postmaster General filed petitions on behalf of Sedalia requesting the Board to fix new final service mail rates for this transportation of mail. The current and proposed rates per great circle aircraft mile are as follows:

Docket	Between	Rates in cents	
		Current	Proposed
19311.....	Sidney and Grand Island via North Platte, Nebr.	35	39.83
19317.....	Valentine and North Platte, Nebr.	35.15	41.87
19318.....	O'Neill and Grand Island via Norfolk, Nebr.	36	40.58
19319.....	McCook and North Platte, Nebr.	49	60.80
19320.....	Chadron and North Platte via Alliance, Nebr.	35	39.74

The Postmaster General states that since the submission by Sedalia of the proposals which resulted in establishment of the current rates the air taxi operator has experienced increased costs as a result of additional requirements imposed by the Post Office Department and in some cases new or increased landing and ramp fees imposed by airport operators. The Postmaster General further states that these increases in costs were not known nor reasonably foreseeable at the time the original petitions were filed. Because of these increased costs, the Postmaster General petitions the new final service mail rates. The Postmaster General states that the proposed rates are acceptable to the Department and the carrier and represent fair and reasonable rates of compensation for the performance of these services under the present requirements of the Department.

The Board finds it is in the public interest to determine, adjust, and establish the fair and reasonable rates of compensation to be paid by the Postmaster General for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, between the aforesaid points. Upon consideration of the petitions and other matters officially noticed, it is proposed to issue an order¹ to include the following findings and conclusions.

On and after September 19, 1968, the fair and reasonable final service mail rates per great circle aircraft mile to be paid in their entirety to Sedalia by the Postmaster General pursuant to section

¹ As this order to show cause is not a final action but merely affords interested persons an opportunity to be heard on the matters herein proposed, it is not regarded as subject to the review provisions of Part 385 (14 CFR Part 385). These provisions for Board review will be applicable to final action taken by the staff under authority delegated in § 385.14(g).

406 of the Act for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith, shall be as follows:

Docket	Between	Cents
19311.....	Sidney and Grand Island via North Platte, Nebr.	39. 83
19317.....	Valentine and North Platte, Nebr.	41. 87
19318.....	O'Neill and Grand Island via Norfolk, Nebr.	40. 58
19319.....	McCook and North Platte, Nebr..	60. 80
19320.....	Chadron and North Platte via Alliance, Nebr.	39. 74

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a) or 406 thereof, and regulations promulgated in 14 CFR Part 302, 14 CFR Part 298, and 14 CFR 385.14(f):

It is ordered, That:

1. Sedalia, Marshall, Boonville Stage Line, Inc., the Postmaster General, Frontier Airlines, Inc., and all other interested persons are directed to show cause why the Board should not adopt the foregoing proposed findings and conclusions and fix, determine, and publish the final rates specified above for the transportation of mail by aircraft, the facilities used and useful therefor, and the services connected therewith as specified therein as the fair and reasonable rates of compensation to be paid to Sedalia, Marshall, Boonville Stage Line, Inc.;

2. Further procedures herein shall be in accordance with 14 CFR Part 302, and notice of any objection to the rates or to the other findings and conclusions proposed herein, shall be filed within 10 days, and if notice is filed, written answer and supporting documents shall be filed within 30 days after service of this order;

3. If notice of objection is not filed within 10 days after service of this order, or if notice is filed and answer is not filed within 30 days after service of this order, all persons shall be deemed to have waived the right to a hearing and all other procedural steps short of a final decision by the Board, and the Board may enter an order incorporating the findings and conclusions proposed herein and fix and determine the final rates specified herein;

4. If answer is filed presenting issues for hearing, the issues involved in determining the fair and reasonable final rates shall be limited to those specifically raised by the answer, except insofar as other issues are raised in accordance with Rule 307 of the rules of practice (14 CFR 302.307); and

5. This order shall be served upon Sedalia, Marshall, Boonville Stage Line, Inc., the Postmaster General, and Frontier Airlines, Inc.

This order will be published in the FEDERAL REGISTER.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 68-12697; Filed, Oct. 17, 1968; 8:48 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket No. 18285; FCC 68R-430]

BLUEGRASS BROADCASTING CO., INC.

Memorandum Opinion and Order Enlarging Issues

In re application of Bluegrass Broadcasting Co., Inc., Docket No. 18285, File No. BR-1953; for renewal of license of standard broadcast station WVLK, Lexington, Ky.

1. The above-captioned application for renewal of license was designated for hearing by Commission Order, FCC 68-811, released August 5, 1968. That order contained issues with respect to the operating practices of the station licensee and alleged misrepresentations to the Commission. Bluegrass Broadcasting Co., Inc. (Bluegrass), the applicant, on September 4, 1968, filed the instant motion to enlarge the issues to permit it to show its record of service to its community over a 20-year period in mitigation of any adverse findings which might otherwise be made in the proceeding. Bluegrass noted that under § 1.229(b) of the rules, its motion should have been filed by August 23, 1968. However, as good cause for its late filing it states that the bill of particulars which the Bureau was required to serve upon it was not received until August 24, 1968, and that the instant motion was prepared and filed as soon as practicable following receipt and study of the bill of particulars.

2. Bluegrass relies on Wagoner Radio Co., 12 FCC 2d 978, 13 RR 2d 114 (1968) and the cases cited therein to justify the requested issue. The Bureau in its comments filed September 12, 1968, interposes no objection to the requested issue. As the Board noted in Wagoner, supra, the public interest is often better served if the licensee is permitted to make a showing as to its past broadcast record in mitigation of any adverse findings which might flow from the record. Accordingly, the issues will be enlarged to permit such a showing in the instant case. However, no consideration can be given to alleged meritorious programming instituted after the licensee received notice that action against it was being contemplated. Moreover, the issue is added without prejudice to the rights of the parties to subsequently argue regarding the weight which should be accorded the evidence adduced under this issue.

3. *It is ordered*, That the Motion to Enlarge Issues, filed September 4, 1968, by Bluegrass Broadcasting Co., Inc., is granted, and the issues in this proceeding are enlarged as follows: To determine whether the programming of Station WVLK, Lexington, Ky., has been meritorious, particularly with regard to public service programs.

4. *It is further ordered*, That the burden of proceeding with the introduc-

tion of evidence and burden of proof under the issue added herein will be on Bluegrass Broadcasting Co., Inc.

Adopted: October 15, 1968.

Released: October 15, 1968.

FEDERAL COMMUNICATIONS
COMMISSION,¹

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 68-12700; Filed, Oct. 17, 1968; 8:48 a.m.]

[Docket Nos. 18354, 18355; FCC 68-1015]

JACKSON MISSOURI BROADCASTING CO. AND MATTOON BROADCASTING CO. (WLBH)

Memorandum Opinion and Order Designating Applications for Consolidated Hearing on Stated Issues

In re applications of Robert Neathery, Jr., and Ann Rebecca Raymond doing business as Jackson Missouri Broadcasting Co., Jackson, Mo., Docket No. 18354, File No. BP-17323; Requests: 1170 kc, 250 w, DA, Day; Mattoon Broadcasting Co. (WLBH), Mattoon, Ill., Docket No. 18355, File No. BP-17684; Has: 1170 kc, 250 w, Day, Requests: 1170 kc, 5 kw, DA, Day; for construction permits.

1. The Commission has before it for consideration the above-captioned mutually exclusive applications.

2. Examination of the financial portion of the Jackson Missouri Broadcasting Co. application indicates that the applicant will require \$38,250 to meet estimated first-year construction and operating costs, consisting of: Equipment costs, \$4,050; land, \$1,200; building, \$1,500; miscellaneous costs, \$1,500; and operating expenses for the first year, \$30,000. Applicant proposes to meet these costs with \$2,000 in existing capital and a \$40,000 bank loan. However, the loan commitment is deficient because it fails to state the terms of payment or the security required. Furthermore, the loan commitment is not current. The applicant, therefore, has failed to show that he will be able to finance the construction and operation of the new station and a financial issue will be included.

3. Analysis of the financial portion of the WLBH proposal indicates that the applicant will require \$67,000 to meet the estimated cost of construction, consisting of: Transmitter, \$20,000; antenna system, \$40,000; and miscellaneous costs, \$7,000. According to the application over \$80,000 is available to meet these costs. However, since the applicant's balance sheet is not current, it will be necessary for WLBH to establish its financial qualifications in hearing.

4. An analysis of the program survey conducted by the Jackson Missouri Broadcasting Co. reveals that its attempt to meet the requirements of Minshall Broadcasting Co., Inc., 11 FCC 2d 796, 12 RR 2d 502, is defective. In that case, the

¹ Review Board Member Berkemeyer absent.

Commission stated that an applicant must provide (a) full information on the steps it has taken to become informed of the real community needs and interests of the area to be served; (b) suggestions which the applicant has received as to how the station could help meet the area's needs; (c) the applicant's evaluation of those suggestions; and (d) the programming service which the applicant proposes in order to meet those needs as they have been evaluated. Applicant made personal contact with seven individuals who allegedly represented a number of groups in the city of Jackson in addition to talking with "several members of the retail merchants association and several members of the farm community". But neither the names of the people contacted, the organizations they represent, nor the suggestions made were listed. In the absence of this information it is impossible to determine if a representative cross-section of the community was surveyed. Cf. Andy Valley Broadcasting System, Inc., 12 FCC 2d 3, 12 RR 2d 691. Thus, we are unable at this time to determine whether the applicant is aware of and responsive to the needs of the area and a programming issue will be included.

5. A programming issue is also required with respect to Mattoon Broadcasting Co. In light of the fact that an increase in daytime power from 250 w to 5 kw would result in a doubling of the population within WLBH's protected service area, a programming survey is necessary. See public notice of August 22, 1968, FCC 68-847. Since the applicant failed to conduct a survey, a programming issue will be included.

6. Except as indicated by the issues specified below, the applicants are qualified to construct and operate as proposed. However, since the proposals are mutually exclusive, they must be designated for hearing in a consolidated proceeding on the issues specified below.

7. *It is ordered*, That, pursuant to section 309(e) of the Communications Act of 1934, as amended, the applications are designated for hearing in a consolidated proceeding, at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine the areas and populations which would receive primary service from the proposal of Jackson Missouri Broadcasting Co. and the availability of other primary service to such areas and populations.

2. To determine the areas and populations which may be expected to gain or lose primary service from the proposed operation of Station WLBH and the availability of other primary service to such areas and populations.

3. To determine, with respect to the application of Jackson Missouri Broadcasting Co.:

(a) Whether the \$40,000 bank loan is still available and, if so, the terms and conditions thereof.

(b) Whether, in the light of the evidence adduced pursuant to (a) above, the applicant is financially qualified.

4. To determine whether Mattoon Broadcasting Co. is financially qualified to construct and operate as proposed.

5. To determine the efforts made by the applicants to ascertain the community needs and interests of the areas to be served and the means by which they propose to meet those needs and interests.

6. To determine, in the light of section 307(b) of the Communications Act of 1934, as amended, which of the proposals would better provide a fair, efficient and equitable distribution of radio service.

7. To determine, in the light of the evidence adduced pursuant to the foregoing issues which, if either, of the applications should be granted.

8. *It is further ordered*, That, in the event of a grant of either of the above applications, the construction permit shall contain the following condition: Any presunrise operation must conform with §§ 73.37 and 73.99 of the rules, as amended June 28, 1967 (32 F.R. 10437), supplementary proceedings (if any) involving Docket No. 14419, and/or the final resolution of matters at issue in Docket No. 17562.

9. *It is further ordered*, That, to avail themselves of the opportunity to be heard, the applicants herein, pursuant to § 1.221(c) of the Commission's rules, in person or by attorney, shall, within 20 days of the mailing of this order, file with the Commission in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

10. *It is further ordered*, That the applicants herein shall, pursuant to section 311(a)(2) of the Communications Act of 1934, as amended, and § 1.594 of the Commission's rules, give notice of the hearing, either individually or, if feasible and consistent with the rules, jointly, within the time and in the manner prescribed in such rule, and shall advise the Commission of the publication of such notice as required by § 1.594(g) of the rules.

Adopted: October 9, 1968.

Released: October 15, 1968.

FEDERAL COMMUNICATIONS
COMMISSION,¹

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 68-12702; Filed, Oct. 17, 1968;
8:48 a.m.]

[Dockets Nos. 18356, 18357; FCC 68-1020]

MULTI-CHANNEL CABLE CO.

Memorandum Opinion and Order Instituting Hearing

In re petitions by Multi-Channel Cable Co., Whitehall, Ohio, Docket No. 18356, File No. CATV 100-44; Multi-Channel Cable Co., Circleville, Ohio, Docket No. 18357, File No. CATV 100-108; for authority pursuant to § 74.1107 of the rules

¹ Chairman Hyde absent.

to operate CATV systems in the Columbus, Ohio, television market (ARB 28).

1. The Commission has before it for consideration the captioned petitions which request waiver of the requirements of § 74.1107 of the rules to permit the importation of distant television signals into two Ohio communities in the Columbus, Ohio, television market, ranked 28th on the basis of a total net weekly circulation of 514,800. Television allocations in the market are:

Columbus—4 (NBC), 6 (ABC), 10 (CBS),
*34 (Ed.), 47 (CP)¹ and *56 (Idle).
Chillicothe—53 (Idle).
Newark—*28 (Ed.), and 52 (Idle).
Marion—68 (Appl.).

2. The proposals and contentions in support and opposition are as follows:

A. Multi-Channel Cable Co. (CATV 100-44) plans to operate in Whitehall, Ohio (20,818), which is about 5 miles east of Columbus. Petitioner would carry the following signals:

LOCAL	
Channels:	
4 (NBC)-----	Columbus.
6 (ABC)-----	Do.
10 (CBS)-----	Do.
*34 (Ed.)-----	Do.
47 (Ind.) ² -----	Do.

DISTANT	
Channels:	
*20 (Ed.)-----	Athens, Ohio.
18 (ABC-NBC)-----	Zanesville, Ohio.
2 (ABC-NBC)-----	Dayton, Ohio.
7 (CBS)-----	Do.
22 (NBC-CBS- ABC)-----	Do.

In support of its request, Multi-Channel claims: (1) The system's economic impact on existing stations would be de minimis since existing stations would be helped by providing better reception and future UHF stations would benefit by elimination of the need for set conversion; (2) the proposal would give to the residents of Whitehall, for the first time, maximum dissemination of information through diversified ownership of the mass media; (3) CATV would expand the utility of the spectrum and thus enable the operation of satellite TV and other services that may be developed; (4) Whitehall would be an ideal testing site to determine the proper role of CATV in the Columbus market; (5) the system provides the fastest and least expensive means of providing distribution of ETV programming; (6) considerable time and money was expended prior to the adoption, of the second report and order; and (7) the residents of Chillicothe and Marion presently receive distant signals via CATV and, therefore, Whitehall should not be denied the same service.³ Oppositions have been filed by

¹ An application is presently pending (BMPCT-6721) to change authorized power and transmitter and studio site.

² To be carried when operational.

³ Petitioner also requests, on the basis of the above-mentioned contentions, a waiver of the program exclusivity requirements. This request will be denied as unsupported and without merit.

Taft Broadcasting Co.,⁴ licensee of Station WTVN-TV, Channel 6, Columbus; Farragut Television Corp.,⁵ and Peoples Broadcasting Corp.,⁶ applicants for Channel 47, Columbus; and The Independent Theatre Owners of Ohio. They claim:

(1) Importation of distant signals would have great cumulative effect since Whitehall is in the heart of the market and would harm existing stations and future UHF stations by fragmenting the viewing audience; (2) Multi-Channel has not met its burden of showing lack of damaging impact; (3) no showing has been made that existing television service is deficient or that the proposed addition would provide improved service; (4) since Multi-Channel proceeded at its own risk, its argument as to prior financial commitment is not persuasive; and (5) the petition should be dismissed for non-compliance with the notification requirements of §§ 74.1105 and 75.1109 of the rules.

B. Multi-Channel Cable Co. (CATV 100-108) proposes to serve Circleville, Ohio (11,059), which is about 25 miles south of Columbus. It would provide the following signals:

LOCAL	
Channels:	
4 (NBC)-----	Columbus
6 (ABC)-----	Do.
10 (CBS)-----	Do.
*34 (Ed.)-----	Do.
DISTANT	
Channels:	
2 (ABC-NBC) ----	Dayton, Ohio.
7 (CBS)-----	Do.
22 (NBC-CBS-ABC)-----	Do.
3 (NBC)-----	Huntington, W. Va.
13 (ABC)-----	Do.
5 (NBC)-----	Cincinnati, Ohio.
9 (CBS)-----	Do.
8 (CBS)-----	Charleston, W. Va.
*20 (Ed.)-----	Athens, Ohio.
72 and 76 (Ed.)--	IMPATI ⁸

Petitioner contends that: (1) The system's economic impact on existing stations would be de minimis because of community size and since the system will carry all local signals; (2) it would aid future UHF stations by eliminating the needs for set conversion; (3) it would result in maximum dissemination of information and would provide educational television facilities and programs of limited local interest; (4) Circleville is a separate and distinct economic unit from

Columbus; (5) the residents of Chillicothe presently receive distant signals via CATV and, therefore Circleville should not be denied the same service;⁹ (6) the Columbus stations have healthy revenues and incomes and thus need no protection; and (7) CATV decreases concentration, increases mass media competition and is the only feasible way of providing local programming to small communities such as Circleville. Oppositions have been filed by Taft, Avco, Peoples.¹⁰ They allege:

(1) This is a "foot in the door" proposal since Multi-Channel proposes to operate systems in six communities in the greater metropolitan Columbus area; (2) importation of distant signals might prevent activation of the idle allocation at Chillicothe; (3) the proposal would adversely affect existing stations and future UHF stations especially channel 47 in Columbus, by fragmenting the viewing audience; (4) there is no shortage of off-the-air television service since Circleville presently receives full network service and will soon receive additional program service from Channel 47 and that four off-the-air signals are sufficient for Circleville residents; (5) the distant signals will not provide significant additional programming; and (6) Circleville is politically, geographically, and economically a part of the Columbus market.

3. The proposals for Whitehall and Circleville will be set for hearing. While we are fully cognizant of the benefits which could flow from CATV as outlined, we cannot conclude on this record that the damaging impact will not outweigh the benefits.¹¹ This is especially so where, as here, there is active UHF interest and the CATV proposals would commence operation within the very area upon which the proposed Columbus UHF station would be most likely to depend.

Accordingly, it is ordered, That the requests of Multi-Channel Cable Co. for waiver of the hearing provisions of § 74.1107 of the rules for its proposed CATV systems at Whitehall and Circleville, Ohio are denied; and pursuant to § 74.1107 of the Commission's rules, a hearing is ordered as to said matter on the following issues:

(1) To determine the present and

⁹ Petitioner also requests waiver of the program exclusivity requirements on the ground that no television station has a propriety interest as a matter of right in its viewing audience which is to be protected at the expense of infringing upon the rights of others (including the viewing audience). When the Commission adopted the second report and order it concluded that same-day program exclusivity best compromised the conflicting interests. Thus, Multi-Channel's argument is really an attack on the second report and order and presents no argument on which a waiver of § 74.1103(e) could be based. The request will, therefore, be denied.

¹⁰ See footnote 5, supra.

¹¹ As to the request for dismissal of Multi-Channel's waiver petition for Whitehall for noncompliance with the notification and service requirements of §§ 74.1105 and 74.1109, since the opposition has had actual timely knowledge of the petition and the proposals contained therein, there appears to be substantial compliance.

proposed penetration of CATV service in the Columbus, Ohio, market;

(2) To determine the effects of current and proposed CATV service in the market upon existing, proposed and potential television broadcast stations in the market;

(3) To determine (a) the present policy and proposed future plans of petitioners with respect to the furnishing of any service other than the relay of the signals of broadcast stations; and (b) the impact of such services upon broadcast stations in the market; and,

(4) To determine in light of the above whether the proposals are consistent with the public interest.

Multi-Channel Cable Co., Avco Broadcasting Corp., Taft Broadcasting Co., Nationwide Communications, Inc., and The Independent Theatre Owners of Ohio, are made parties to this proceeding, and to participate, must comply with the applicable provisions of § 1.221 of the Commission's rules. The burden of proof is upon petitioner. A time and place for the hearing will be specified in another order.

It is further ordered, That the requests of Taft Broadcasting Co., Peoples Broadcasting Corp., and Farragut Television Corp. for dismissal of Multi-Channel Cable Co.'s waiver petition for Whitehall, Ohio, are denied.

It is further ordered, That the requests of Multi-Channel Cable Co. for waiver of § 74.1103 for its proposed CATV systems at Whitehall and Circleville, Ohio are denied.

Adopted: October 9, 1968.

Released: October 15, 1968.

FEDERAL COMMUNICATIONS
COMMISSION,¹²

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 68-12701; Filed, Oct. 17, 1968; 8:48 a.m.]

[Docket No. 18348; FCC 68-1012]

OVERSEAS FACILITIES

Notice of Inquiry Into Use of Multichannel Equipment

In the matter of an inquiry into the use of multichannel equipment for deriving telegraph channels from voice channels to determine facts relating to techniques capable of providing greater capacity, accuracy, reliability or economy in the operation of overseas facilities, Docket No. 18348.

1. The Commission today adopted a memorandum opinion, order and authorization increasing to 34 the number of standard speed (50-baud) telegraph channels, or a total not to exceed 1,800 bauds, that may be derived from cable and satellite voice channels by overseas record carriers for providing their own services. For reasons set forth therein,

¹² Chairman Hyde absent; Commissioner Bartley dissenting and voting to grant the petitions; Commissioner Wadsworth voting to grant the petitions regarding Circleville, Ohio.

⁴ Avco Broadcasting Corp., licensee of Station WLW-C, Channel 4, Columbus, has requested to be made a party to the hearing. WBNS-TV, Inc., licensee of Station WBNS-TV, Channel 10, Columbus, has stated, by letter, that it takes no position with respect to Multi-Channel's proposal.

⁵ Application denied and construction permit award to Peoples In Re Farragut Television Corp. ----- FCC 2d ----- (1967).

⁶ Peoples now holds the construction permit under the corporate name of Nationwide Communications, Inc.

⁷ Multi-Channel originally requested authorization to carry the signal of Channel 12 (ABC), Cincinnati, but subsequently amended its proposal.

⁸ IMPATI ceased broadcasting earlier this year and will, therefore, not be carried.

the Commission has concluded that it should invite comments as to known techniques and available equipment for the derivation of telegraph or data channels from voice channels with a view to the possibility of increasing further the limits set on the number of derived channels, or total baud speeds. This inquiry is instituted pursuant to that objective.

2. Each of the carriers engaged in the handling of overseas public correspondence, as well as interested persons, is invited to submit comments and information with respect to equipment and operating techniques used in the derivation of telegraph or data channels from voice channels as outlined below:

(a) Estimated capability in terms of number of discrete telegraph channels or total number of bauds which can be obtained from one voice channel with available equipment operating either on cable or satellite channels, or a combination thereof;

(b) Description of available equipment, including manufacturer's identity, nomenclature, model, type number, cost data and technical performance;

(c) Copies of reports describing tests and the results thereof, including the types of overseas or other circuits where used in the tests, points between which the tests were conducted, the duration of the tests, and the test results in terms of accuracy, reliability, interference to adjacent channels and any other characteristics considered to be important;

(d) The annual costs per telegraph channel, including the required fractional costs of overseas voice channels and any other relevant costs, used for telegraph channels, derived by higher capacity telegraph systems as compared to the annual costs per telegraph channel derived by 22-24 channel equipment;

(e) Estimates of rate reductions for leased telegraph channel service, if any, which could result from the use of higher capacity telegraph systems;

(f) Estimates of the potential demand for large numbers of telegraph circuits (more than 22) in the overseas service; and

(g) Such other information as is deemed relevant and of interest to the Commission.

3. Authority for this notice of inquiry is that contained in sections 4(i), 4(j), 214, and 403 of the Communications Act of 1934, as amended, and section 201 (c) (4) of the Communications Satellite Act of 1962.

4. Interested persons desiring to file comments in response to this notice of inquiry are requested to file such comments with the Secretary of the Commission on or before November 1, 1968.

5. In accordance with the provisions of § 1.51 of the Commission's rules, an original and 19 copies of all statements, briefs or comments shall be furnished the Commission.

Adopted: October 9, 1968.

Released: October 15, 1968.

FEDERAL COMMUNICATIONS
COMMISSION,¹

[SEAL] BEN F. WAPLE,
Secretary.

[F.R. Doc. 68-12703; Filed, Oct. 17, 1968;
8:48 a.m.]

FEDERAL MARITIME COMMISSION

AUSTRALIA, NEW ZEALAND, AND SOUTH SEA ISLANDS PACIFIC COAST CONFERENCE

Notice of Agreement Filed for Approval

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763, 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreement at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. J. R. Harper, Secretary, Australia, New Zealand, and South Sea Islands Pacific Coast Conference, 635 Sacramento Street, Room 330, San Francisco, Calif. 94111.

Agreement 7580-8, between member lines of the Australia, New Zealand, and South Sea Islands Pacific Coast Conference, amends paragraph 2-A of the basic agreement by changing the conference voting requirements for concerted action on matters within the scope of the agreement from unanimity to two-thirds of the membership entitled to vote except changes in the agreement itself which requires the unanimous consent of all of the members entitled to vote.

Dated: October 14, 1968.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 68-12684; Filed, Oct. 17, 1968;
8:47 a.m.]

¹ Chairman Hyde absent.

AMERICAN PRESIDENT LINES, LTD., AND NAM SUNG SHIPPING CO., LTD.

Notice of Agreement Filed for Approval

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763; 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW., Room 609; or may inspect agreement at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the FEDERAL REGISTER. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Mr. D. J. Morris, Manager, Rates & Conferences, American President Lines, 601 California Street, San Francisco, Calif. 94108.

Agreement 9749, between American President Lines, Ltd., and Nam Sung Shipping Co., Ltd., establishes a through billing arrangement between U.S. Atlantic and Pacific Coast ports of call of American President Lines to ports of call of Nam Sung Shipping in Korea with transshipment in Japan in accordance with the terms and conditions set forth in the agreement.

Dated: October 14, 1968.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 68-12685; Filed, Oct. 17, 1968;
8:47 a.m.]

FEDERAL NEW ZEALAND LINES JOINT SERVICE

Notice of Agreement Filed for Approval

Notice is hereby given that the following agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended (39 Stat. 733, 75 Stat. 763; 46 U.S.C. 814).

Interested parties may inspect and obtain a copy of the agreement at the Washington office of the Federal Maritime Commission, 1321 H Street NW.,

Room 609; or may inspect agreement at the offices of the District Managers, New York, N.Y., New Orleans, La., and San Francisco, Calif. Comments with reference to an agreement including a request for hearing, if desired, may be submitted to the Secretary, Federal Maritime Commission, Washington, D.C. 20573, within 20 days after publication of this notice in the *FEDERAL REGISTER*. A copy of any such statement should also be forwarded to the party filing the agreement (as indicated hereinafter) and the comments should indicate that this has been done.

Notice of agreement filed for approval by:

Elkan Turk, Jr., Esq., Burlingham, Underwood, Wright, White & Lord, 25 Broadway, New York, N.Y. 10004.

Agreement 7786-3, among the member lines of the Federal New Zealand Lines Joint Service, modifies Article 2 of the basic agreement by (1) appointing Norton, Lilly & Co., Inc., to represent the joint service in New York on matters relating to Conference and other obligations and (2) allowing for the appointment by written designation of other representatives in places other than New York.

Dated: October 14, 1968.

By order of the Federal Maritime Commission.

THOMAS LISI,
Secretary.

[F.R. Doc. 68-12686; Filed, Oct. 17, 1968; 8:47 a.m.]

FEDERAL POWER COMMISSION

[Docket No. RI69-144, etc.]

CLINTON OIL CO. ET AL.

Order Providing for Hearing on and Suspension of Proposed Changes in Rates, and Allowing Rate Changes To Become Effective Subject to Refund¹

OCTOBER 10, 1968.

The Respondents named herein have filed proposed changes in rates and charges of currently effective rate schedules for sales of natural gas under Commission jurisdiction, as set forth in Appendix A hereof.

The proposed changed rates and charges may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is in the public interest and consistent with the Natural Gas Act that the Commission enter upon hearings regarding the lawfulness of the proposed changes, and that the supplements herein be suspended and their use be deferred as ordered below.

The Commission orders:

(A) Under the Natural Gas Act, particularly sections 4 and 15, the regulations pertaining thereto (18 CFR Ch. I), and the Commission's rules of practice and procedure, public hearings shall be held concerning the lawfulness of the proposed changes.

(B) Pending hearings and decisions thereon, the rate supplements herein are suspended and their use deferred until date shown in the "Date Suspended

Until" column, and thereafter until made effective as prescribed by the Natural Gas Act: *Provided, however*, That the supplements to the rate schedules filed by Respondents, as set forth herein, shall become effective subject to refund on the date and in the manner herein prescribed if within 20 days from the date of the issuance of this order Respondents shall each execute and file under its above-designated docket number with the Secretary of the Commission its agreement and undertaking to comply with the refunding and reporting procedure required by the Natural Gas Act and § 154.102 of the regulations thereunder, accompanied by a certificate showing service of copies thereof upon all purchasers under the rate schedule involved. Unless Respondents are advised to the contrary within 15 days after the filing of their respective agreements and undertakings, such agreements and undertakings shall be deemed to have been accepted.

(C) Until otherwise ordered by the Commission, neither the suspended supplements, nor the rate schedules sought to be altered, shall be changed until disposition of these proceedings or expiration of the suspension period.

(D) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 and 1.37(f)) on or before November 27, 1968.

By the Commission.

[SEAL]

KENNETH F. PLUMB,
Acting Secretary.

APPENDIX A

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Amount of annual increase	Date filing tendered	Effective date unless suspended	Date suspended until—	Cents per Mcf		Rate in effect subject to refund in Dockets Nos.
									Rate in effect	Proposed increased rate	
RI69-144....	Clinton Oil Co., 6810 West Highway 54, Wichita, Kans. 67209.	24	2	Cities Service Gas Co. (Winchester Field, Woods County, Okla.) (Oklahoma "Other" Area).	\$261	9-19-68	3 10-20-68	4 10-21-68	7 13.0	5 67 14.0	
RI69-145....	Marathon Oil Co., 539 South Main St., Findlay, Ohio 45840.	41	4	Northern Natural Gas Co. (Ross-ton Area, Beaver County, Okla.) (Panhandle Area).	5	9-18-68	3 10-19-68	4 10-20-68	9 19.31	6 8 9 10 19.325	RI68-51.
.....do.....	.....do.....	62	4	Michigan Wisconsin Pipe Line Co. (Laverne Field, Harper County, Okla.) (Panhandle Area).	6	9-18-68	3 10-19-68	4 10-20-68	11 20.786	6 8 10 11 20.801	RI68-381.
RI69-146....	Sun Oil Co., 1608 Walnut St., Philadelphia, Pa. 19103, Attn: Mr. Charles E. Webber.	12 161	4	Texas Eastern Transmission Corp. (Shepherd Field, Hidalgo County, Tex.) (R.R. District No. 4).	9,000	9-17-68	3 11- 1-68	4 11- 2-68	7 13 14.6	5 67 15.6	
.....do.....	.....do.....	12 162	4	Texas Eastern Transmission Corp. (Hidalgo Field, Hidalgo County, Tex.) (R.R. District No. 4).	6,000	9-17-68	3 11- 1-68	4 11- 2-68	7 13 14.6	5 67 15.6	

² Contract dated after Sept. 28, 1960, the date of issuance of the Commission's statement of general policy No. 61-1 and proposed rate is below 15 cents per Mcf area initial rate ceiling.

³ The stated effective date is the effective date requested by Respondent.

⁴ The suspension period is limited to 1 day.

⁵ Periodic rate increase.

⁶ Pressure base is 14.65 p.s.i.a.

⁷ Subject to a downward B.t.u. adjustment.

⁸ Tax reimbursement increase.

⁹ Includes base rate of 17 cents plus 2.31 cents upward B.t.u. adjustment (1,136 B.t.u. gas). Base rate subject to upward and downward B.t.u. adjustment.

¹⁰ Includes 0.015-cent tax reimbursement.

¹¹ Includes base rate of 19 cents plus 1.786 cents upward B.t.u. adjustment (1,094 B.t.u. gas). Base rate subject to upward and downward B.t.u. adjustment.

¹² Contract dated after Sept. 28, 1960, the date of issuance of general policy statement No. 61-1 and proposed rate does not exceed area 16 cent initial rate ceiling.

¹³ Initial service rate.

The contracts related to the rate filings of Clinton Oil Co. (Clinton) and Sun Oil Co. (Sun) were executed subsequent to September 28, 1960, the date of issuance of the Commission's statement of general policy No. 61-1, as amended, and the proposed increased rates are above the applicable area ceilings for increased rates but below the initial service ceilings for the areas involved. We believe, in this situation, the aforementioned producers' rate filings should be suspended for

1 day from the proposed effective dates, October 20, 1968 (Clinton), and November 1, 1968 (Sun).

Marathon Oil Co.'s (Marathon) proposed rate increases reflect partial reimbursement of the Oklahoma Excise Tax which was increased by the State from 0.02 cent to 0.4 cent per Mcf effective July 1, 1967. The pro-

¹ Does not consolidate for hearing or dispose of the several matters herein.

posed rates exceed the area increased rate ceiling of 11 cents per Mcf for the Panhandle Area as announced in the Commission's statement of general policy No. 61-1, as amended. However, since Marathon's rate filings relate only to tax reimbursement increases, we conclude that such increases should be suspended for one day from October 19, 1968, the proposed effective date.

[F.R. Doc. 68-12656; Filed, Oct. 17, 1968; 8:45 a.m.]

[Docket No. G-3735 etc.]

GETTY OIL CO. ET AL.

Notice of Applications for Certificates, Abandonment of Service and Petitions To Amend Certificates ¹

OCTOBER 10, 1968.

Take notice that each of the Applicants listed herein has filed an application or petition pursuant to section 7 of the Natural Gas Act for authorization to sell natural gas in interstate commerce or to abandon service as described herein, all as more fully described in the respective applications and amendments which are on file with the Commission and open to public inspection.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before November 8, 1968.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on all applications in which no protest or petition to intervene is filed within the time required herein if the Commission on its own review of the matter believes that a grant of the certificates or the authorization for the proposed abandonment is required by the public convenience and necessity. Where a protest or petition for leave to intervene is timely filed, or where the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given: Provided, however, that pursuant to § 2.56, Part 2, Statement of General Policy and Interpretations, Chapter I of Title 18 of the Code of Federal Regulations, as amended, all permanent certificates of public convenience and necessity granting applications, filed after July 1, 1967, without further notice, will contain a condition precluding any filing of an increased rate at a price in excess of that designated for the particular area of production for the period prescribed therein unless at the time of filing of protests or petitions to intervene the Applicant indicates in writing that it is unwilling to accept such a condition. In the event Applicant is unwilling to accept such condition the application will be set for formal hearing.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicants to appear or be represented at the hearing.

GORDON M. GRANT,
Secretary.

¹This notice does not provide for consolidation for hearing of the several matters covered herein.

Docket No. and date filed	Applicant	Purchaser, field, and location	Price per Mcf	Pressure base
G-3735-8-2-68 ¹	Getty Oil Co., ² Post Office Box 1404, Houston, Tex. 77001.	El Paso Natural Gas Co., Levelland Gasoline Plant, Levelland Field, Hockley County, Tex.	³ 14.21	14.65
G-3811-8-12-68 ¹	Sunray DX Oil Co., ² Post Office Box 2039, Tulsa, Okla. 74102.	do-----	³ 14.21	14.65
G-3913-D 9-27-68	Ashland Oil & Gas Co., Post Office Box 18695, Oklahoma City, Okla. 73118 (partial abandonment).	Mississippi River Transmission Corp., West Unionville Field, Lincoln Parish, La.	(⁴)	-----
G-11181-C 9-3-68 ⁵	Gas Gathering Corp., Post Office Box 519, Hammond, La. 70401.	Transcontinental Gas Pipe Line Corp., acreage in Pointe Coupee Parish, La.	22.0	15.025
G-19542-C 9-27-68	An-Son Corp., 3814 North Santa Fe, Oklahoma City, Okla. 73118.	Michigan Wisconsin Pipe Line Co., Laverne Field, Beaver County, Okla.	17.0	14.65
G-20136-C 9-30-68	Humble Oil & Refining Co., Post Office Box 2180, Houston, Tex. 77001.	Transcontinental Gas Pipe Line Corp., Dilworth Field, McMullen County, Tex.	⁶ 16.2160	14.65
CI60-50-C 9-25-68	D. R. Lauck Oil Co., Inc., 301 South Broadway, Wichita, Kans. 67202.	Panhandle Eastern Pipe Line Co., acreage in Edwards County, Kans.	15.0	14.65
CI62-1285-E 9-25-68	Marvin E. Wilhite et al. (successor to Superior Oil & Gas, Inc.), Post Office Box 326, Orange Park, Fla. 32073.	Cumberland and Allegheny Gas Co., Union District, Barbour County, W. Va.	25.0	15.325
CI64-540-C 9-23-68 ⁷	Jake L. Hamon (Operator) et al., Post Office Box 663, Dallas, Tex. 75221.	Arkansas Louisiana Gas Co., North Spiro Field, Le Flore County, Okla.	15.0	14.65
CI64-644-D 9-23-68	Ashland Oil & Refining Co. (Operator) et al., Post Office Box 18695, Oklahoma City, Okla. 73118.	Natural Gas Pipeline Co. of America, Northeast Quinlan Field, Woodward County, Okla.	(⁸)	-----
CI65-1025-E 9-3-68	Doyle H. Baird (successor to Pan American Petroleum Corp. (Operator) et al.), 455 Petroleum Club Bldg., Denver, Colo. 80202.	Mountain Fuel Supply Co., Four Mile Creek Field, Moffat County, Colo.	15.0	15.025
CI67-248-C 9-3-68 ⁹	Blackburn Gasoline Plant, Post Office Box 396, Minden, La. 71055.	Pan American Petroleum Corp., ⁹ acreage in Webster Parish, La.	¹⁰ 1.5 ^{10a} 1.0	15.025
CI68-691-C 9-23-68	Sinclair Oil & Gas Co., ² Post Office Box 521, Tulsa, Okla. 74102.	Natural Gas Pipeline Co. of America, Worsham-Bayer (Ellenburger) Field, Lochridge Area, Reeves County, Tex.	¹¹ 16.5	14.65
CI68-883-C 9-30-68	Wigwam Production Co., c/o Lawrence E. Donoboe, Jr., attorney, Post Office Drawer 3507, Lafayette, La. 70501.	Southern Natural Gas Co., Block 54, Chandeleur Sound Area, St. Bernard Parish, La.	18.0	15.025
CI68-908-C 9-25-68	Douglas Resources Corp., agent et al., 310 Kermac Bldg., Oklahoma City, Okla. 73102.	Arkansas Louisiana Gas Co., Enid Area, Garfield County, Okla.	15.0	14.65
CI68-1090-C 9-26-68	Aikman Bros. Corp., 706 Bank of the Southwest Bldg., Amarillo, Tex. 79109.	Michigan Wisconsin Pipe Line Co., Laverne Field, Harper County, Okla.	¹¹ 17.0	14.65
CI69-312-(G-16139) F 9-18-68	Humble Oil & Refining Co., (successor to Gulf Oil Corp.).	Transwestern Pipeline Co., Mendota Field, Hemphill County, Tex.	¹² 17.25	14.65
CI69-313-(G-4547) F 9-10-68	Tenneco Oil Co. (successor to Sinclair Oil & Gas Co.), Post Office Box 2511, Houston, Tex. 77001.	El Paso Natural Gas Co., acreage in San Juan County, N. Mex.	¹³ 13.25009	15.025
CI69-314-(CI65-1001) F 9-19-68	Samedan Oil Corp. (Operator) et al. (successor to Amerada Petroleum Corp. (Operator) et al.) Post Office Box 909, Ardmore, Okla. 73401.	Natural Gas Pipeline Co. of America, acreage in Dewey County, Okla.	¹⁴ 17.015	14.65
CI69-315-A 9-20-68	Midwest Oil Corp., 1700 Broadway, Denver, Colo. 80202.	Arkansas Louisiana Gas Co., acreage in Sebastian County, Ark.	15.0	14.65
CI69-316-B 9-18-68	William V. Montin et al., 1390 First National Bldg., Oklahoma City, Okla. 73102.	Arkansas Louisiana Gas Co., Okeene Field, Blaine County, Okla.	Depleted	-----
CI69-317-A 9-19-68	L. H. Puckett (Operator) et al., Amarillo Bldg., Amarillo, Tex. 79101.	P Phillips Petroleum Co., West Panhandle Field, Hutchinson County, Tex.	14.0	14.65
CI69-318-A 9-25-68	Cleary Petroleum, Inc., 310 Kermac Bldg., Oklahoma City, Okla. 73102.	Panhandle Eastern Pipe Line Co., Northeast Dacoma Field, Alfalfa County, Okla.	¹¹ 15.0	14.65
CI69-319-A 9-26-68	Texaco, Inc., Post Office Box 52332, Houston, Tex. 77052.	Michigan Wisconsin Pipe Line Co., Block 17 Field, West Cameron Area, Offshore Louisiana.	21.25	15.025
CI69-321-A 9-25-68	Sohio Petroleum Co., 970 First National Bldg., Oklahoma City, Okla. 73102.	Phillips Petroleum Co., West Panhandle Field, Hutchinson County, Tex.	¹⁵ 14.0	14.65
CI69-322-A 9-26-68	Sidwell Oil & Gas, Inc. (Operator) et al., Post Office Box 2475, Pampa, Tex. 79065.	Panhandle Eastern Pipe Line Co., Hansford Morrow-Lower Field, Hansford County, Tex.	¹⁶ 18.0	14.65
CI69-325-A 9-27-68	Hileman Lease Well No. 1, c/o Hugh K. Spencer, agent, West Union, W. Va. 26456.	Equitable Gas Co., Southwest District, Doddridge County, W. Va.	25.0	15.325
CI69-326-A 9-27-68	Grimm Lease Well No. 1, c/o Hugh K. Spencer, agent, West Union, W. Va. 26456.	do-----	25.0	15.325
CI69-327-A 9-27-68	Union Oil Co. of California, Union Oil Center, Los Angeles, Calif. 90017.	Transcontinental Gas Pipe Line Corp., Block 266 Field, Ship Shoal Area, Gulf of Mexico.	20.5	15.025
CI69-328-A 9-27-68	Sunray DX Oil Co.-----	Lone Star Gas Co., Rush Springs Area, Grady County, Okla.	¹¹ 16.01	14.65
CI69-329-B 9-26-68	RAF Natural Gas Corp., 525 Market St., Shreveport, La. 71101.	Arkansas Louisiana Gas Co., Longwood Field, Caddo Parish, La.	Depleted	-----

Filing code: A—Initial service.
B—Abandonment.
C—Amendment to add acreage.
D—Amendment to delete acreage.
E—Succession.
F—Partial succession.

See footnotes at end of table.

Docket No. and date filed	Applicant	Purchaser, field, and location	Price per Mcf	Pressure base
CI69-330..... A 9-30-68	Burns Trusts et al., c/o Robert W. Thacker, Suite 620, Guaranty National Tower, Corpus Christi, Tex. 78401.	Texas Eastern Transmission Corp., Panther Reef Field, Calhoun County, Tex.	16.0	14.65
CI69-331..... A 9-27-68	Crown Petroleum, Inc., 505 Bank of the Southwest Bldg., Amarillo, Tex. 79109.	Northern Natural Gas Co., acreage in Harper County, Okla.	¹¹ 17.0	14.65
CI69-332..... A 9-27-68	Charles R. Scoggins, Vaughn Plaza Bldg., Corpus Christi, Tex. 78401.	Texas Eastern Transmission Corp., East Bishop Field, Nueces County, Tex.	16.0	14.65
CI69-333..... A 9-27-68	Sohio Petroleum Co.	Phillips Petroleum Co., West Panhandle Field, Hutchinson County, Tex.	¹⁵ 14.0	14.65
CI69-335..... A 9-30-68	Grey Eagle Construction Co., Post Office Box 108, Kermit, W. Va. 25674.	United Fuel Gas Co., acreage in Mingo County, W. Va.	26.0	15.325
CI69-336..... A 9-30-68	Myron A. Smith, et al., 702 Fort Worth National Bank Bldg., Fort Worth, Tex. 76102.	Arkansas Louisiana Gas Co., South Paola Field, Le Flore County, Okla.	16.0	14.65
CI69-337..... B 9-25-68	Petroleum Management, Inc.	Humble Gas Transmission Co., Buckner Field, Richland Parish, La.	Depleted	-----
CI69-338..... A 9-27-68	Charles N. Prothro, d.b.a., Perkins-Prothro Co., Operator, Post Office Box 2099, Wichita Falls, Tex. 76307.	Phillips Petroleum Co., Panhandle Field, Carson and Hutchinson Counties, Tex.	¹⁷ 12.0 ¹⁸ 11.5	14.65
CI69-339..... A 9-30-68	Donzoli, Inc., 412 Empire Bldg., Denver, Colo. 80202.	Kansas-Nebraska Natural Gas Co., Inc., Otis Field, Washington County, Colo.	15.0	16.4
CI69-340..... A 9-30-68	Helmly & Prather Oil Corp. (Operator) et al., 518 Petroleum Bldg., Amarillo, Tex. 79100.	Northern Natural Gas Co., Northwest Lovedale Field, Harper County, Okla.	¹¹ 17.0	14.65
CI69-341..... A 10-2-68	Cities Service Oil Co., Cities Service Bldg., Bartlesville, Okla. 74003.	Panhandle Eastern Pipe Line Co., acreage in Dewey and Custer Counties, Okla. ¹⁹	¹¹ 19.0	14.65
CI69-342..... A 10-2-68	Sklar Producing Co., Inc., c/o John M. Shuey, attorney, 604 Johnson Bldg., Shreveport, La. 71101.	Arkansas Louisiana Gas Co. Colquitt Field, Clairborne Parish, La.	²⁰ 12.653	15.025

¹ Application to amend certificate to cover additional volumes of residue gas.

² Applicant has agreed to accept authorization containing conditions similar to those imposed by Opinion No. 468, as modified by Opinion No. 468-A.

³ Base rate of 14.5 cents per Mcf less 0.29 cent downward B.t.u. adjustment.

⁴ The properties from which sales are proposed to be abandoned will be acquired by Purchaser for use as underground storage.

⁵ Dedicates gas to be purchased from Texaco, Inc.

⁶ Includes 0.2160-cent tax reimbursement.

⁷ Amendment to add acreage and amend makeup period.

⁸ Deletes expired leases.

⁹ Applicant requests amendment to certificate for authorization to gather and process the subject gas. The gas will be processed in Applicant's plant and delivered to Texas Gas Transmission Corp. under Pan American's FPC GRS No. 516.

¹⁰ Gathering charge; to be reduced to one-fourth cents Mcf after cost of gathering facilities have been recovered or 5 years has elapsed from date of initial delivery.

^{10a} Compression charge per stage.

¹¹ Subject to upward and downward B.t.u. adjustment.

¹² Rate in effect subject to refund in Docket No. RI68-133.

¹³ Plus percentage of liquid products contained in gas.

¹⁴ Rate in effect subject to refund in Docket No. RI68-120.

¹⁵ Less 0.4466 cent per Mcf for sour gas.

¹⁶ Includes B.t.u. adjustment. Subject to upward and downward B.t.u. adjustment.

¹⁷ Sweet gas.

¹⁸ Sour gas.

¹⁹ Formations above the top of the Hunton Formation.

²⁰ Subject to an estimated compression charge of 0.75 cent per Mcf when less than 800 pounds.

[F.R. Doc. 68-12657; Filed, Oct. 17, 1968; 8:45 a.m.]

[Docket No. RP69-7]

ARKANSAS LOUISIANA GAS CO.

Order Suspending Proposed Change in Rate and Providing for Hearing

OCTOBER 9, 1968.

Arkansas Louisiana Gas Co. (Ark-La), on September 5, 1968, tendered for filing Supplement 12 to its Rate Schedule XFS-2 proposing to increase the rate for a field sale of natural gas to Texas Eastern Transmission Corp. (Texas Eastern) in the producing area of Jefferson Field, Marion County, Tex. (Railroad Commission District No. 6). The filing, proposed to become effective November 1, 1968, amounts to an annual increase of approximately \$9,100.

Ark-La's Rate Schedule XFS-2 presently provides for field sales of natural gas to Texas Eastern at a rate of 15.6 cents per Mcf which Ark-La would increase to 16.6 cents per Mcf, pursuant to periodic price escalation provisions in its contract. The 15.6 cents rate under Schedule XFS-2 is being collected sub-

ject to refund in accordance with order issued October 28, 1964, in Dockets Nos. RP62-8 and RP64-7.

The increased rate proposed by Ark-La has not been shown to be justified and may be unjust, unreasonable, unduly discriminatory, or preferential or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing concerning the lawfulness of Ark-La's proposed change in rates, and that Supplement No. 12 to Ark-La's FPC Gas Rate Schedule XFS-2 be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing shall be held upon a date to be fixed by notice from the Secretary, concerning the law-

fulness of Ark-La's proposed increased rate and charge contained in Supplement No. 12 to its FPC Gas Rate Schedule XFS-2.

(B) Pending a hearing and decision thereon, Supplement No. 12 to Ark-La's FPC Gas Rate Schedule XFS-2 is hereby suspended and the use thereof is deferred until April 1, 1969, and thereafter until such further time as it is made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplement hereby suspended, nor the rate schedule sought to be altered thereby, shall be changed until this proceeding has been disposed of or until the period of suspension has expired, unless otherwise ordered by the Commission.

By the Commission.

[SEAL]

KENNETH F. PLUMB,
Acting Secretary.

[F.R. Doc. 68-12653; Filed, Oct. 17, 1968; 8:45 a.m.]

[Docket No. CP69-92]

CONSOLIDATED GAS SUPPLY CORP.

Notice of Application

OCTOBER 10, 1968.

Take notice that on October 3, 1968, Consolidated Gas Supply Corp. (Applicant), 445 West Main Street, Clarksburg, W. Va. 26301, filed in Docket No. CP69-92 an application pursuant to section 7(c) of the Natural Gas Act and §§ 157.23 to 157.27 of the regulations thereunder for a certificate of public convenience and necessity authorizing the sale and delivery of natural gas as more fully set forth in the application on file with the Commission and open to public inspection.

Specifically, Applicant seeks authorization to sell natural gas from certain acreage in East Atchafalaya Bay Field, St. Mary Parish, La., to Tennessee Gas Pipeline Co., a division of Tenneco Inc. (Tennessee Gas), under a contract dated September 19, 1968, between Applicant and Union Producing Co. as seller and Tennessee Gas as buyer for transportation in interstate commerce for resale. Applicant has indicated East Atchafalaya Bay Field, St. Mary Parish, La., will be the point of delivery to Tennessee Gas. The Applicant states that the proposed sale will be made at a price of 21.25 cents per Mcf measured at 15.025 p.s.i.a., including all adjustments and tax reimbursement. Applicant's initial deliveries are estimated to be approximately 25,361 Mcf per month.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) and the regulations under the Natural Gas Act (§ 157.10) on or before November 7, 1968.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act and

the Commission's rules of practice and procedure, a hearing will be held without further notice before the Commission on this application if no protest or petition to intervene is filed within the time required herein, if the Commission on its own review of the matter finds that a grant of the certificate is required by the public convenience and necessity. If a protest or petition for leave to intervene is timely filed, or if the Commission on its own motion believes that a formal hearing is required, further notice of such hearing will be duly given.

Under the procedure herein provided for, unless otherwise advised, it will be unnecessary for Applicant to appear or be represented at the hearing.

GORDON M. GRANT,
Secretary.

[F.R. Doc. 68-12654; Filed, Oct. 17, 1968;
8:45 a.m.]

[Docket No. CP69-91]

TOWN OF TALOGA, OKLA., AND PANHANDLE EASTERN PIPELINE CO.

Notice of Application

OCTOBER 10, 1968.

Take notice that on October 2, 1968, the town of Taloga, Okla., Applicant, filed in Docket No. CP69-91 an application pursuant to section 7(a) of the Natural Gas Act and § 156.3(d) of the regulations thereunder for an order of the Commission directing Panhandle Eastern Pipeline Co., Respondent, to establish physical connection of its transportation facilities with the facilities proposed to be constructed by the Applicant and to sell and deliver to Applicant volumes of natural gas for resale and distribution as more fully set forth in the application which is on file with the Commission and open to public inspection.

Applicant proposes to construct a municipally owned and operated natural gas distribution system for the convenience and benefit of its citizens.

Applicant states that the proposed connection is an initial connection of a new system and facilities with a pipeline and that at present all domestic, institutional, commercial, and industrial users must secure their heating needs through use of liquefied petroleum, fuel oil, or electricity. Applicant's natural gas service will not exceed 2,000 Mcf per day and will serve only a single community. Applicant proposes to begin resale immediately after completion and acceptance of the system.

Estimated peak day and annual volumes required by the community is as follows:

	First year	Second year	Third year
Annual (Mcf).....	25,124	25,665	26,475
Peak day (Mcf).....	258	263	272

Total estimated cost of Applicant's proposed system is stated to be \$70,000, and will be financed entirely through general obligation bonds.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D.C. 20426, in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before November 4, 1968.

GORDON M. GRANT,
Secretary.

[F.R. Doc. 68-12655; Filed, Oct. 17, 1968;
8:45 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[811-1154]

CARIBBEAN CAPITAL CORP.

Notice of Filing of Application for Order Declaring Company Has Ceased to be Investment Company

OCTOBER 14, 1968.

Notice is hereby given that Inversiones Internacionales, Inc. ("Inversiones"), on behalf of Caribbean Capital Corp. ("Caribbean"), c/o Inversiones Internacionales, Inc., Post Office Box 11212, Fernandez Juncos Station, Hato Rey, P.R., registered as a nondiversified, closed-end management investment company under the Investment Company Act of 1940 ("Act"), has filed an application pursuant to section 8(f) of the Act for an order declaring that Caribbean has ceased to be an investment company as defined in the Act. All interested persons are referred to the application on file with the Commission for a statement of the representations contained therein which are summarized below.

Caribbean is wholly owned by Inversiones and Inversiones, in turn, has five security holders. All of Caribbean's assets have been distributed, the company is in process of dissolution and does not intend to make a public offering of its securities.

Section 3(c)(1) of the Act excludes from the definition of an investment company any issuer whose outstanding securities are beneficially owned by not more than 100 persons and which is not making and does not presently propose to make a public offering of its securities. Beneficial ownership by a company shall be deemed to be beneficial ownership by one person; except that, if such company owns 10 percent or more of the outstanding voting securities of the issuer, the beneficial ownership shall be deemed to be that of the holders of such company's outstanding securities.

Section 8(f) of the Act provides, in pertinent part, that when the Commission, upon application, finds that a registered investment company has ceased to be an investment company, it shall so declare by order, and upon the taking effect of such order, the registra-

tion of such company shall cease to be in effect, and that, if necessary for the protection of investors, such order may be made upon appropriate conditions.

Notice is further given that any interested person may, not later than November 12, 1968, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request, and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon Caribbean at the address set forth above. Proof of such service (by affidavit or in case of an attorney at law by certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0-5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission (pursuant to delegated authority).

[SEAL] ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 68-12664; Filed, Oct. 17, 1968;
8:45 a.m.]

[70-4564]

DELMARVA POWER & LIGHT CO.

Notice of Filing of Posteffective Amendment Regarding Issue and Sale of Notes to Banks and to Dealer in Commercial Paper and Exemption From Competitive Bid- ding

OCTOBER 14, 1968.

Notice is hereby given that Delmarva Power & Light Co. ("Delmarva"), 600 Market Street, Wilmington, Del. 19899, a registered holding company, has filed with this Commission, pursuant to section 6(b) of the Public Utility Holding Company Act of 1935 ("Act") and Rule 50(a)(5) promulgated thereunder, a posteffective amendment to the application in this matter. All interested persons are referred to the application as now amended, which is summarized below, for a complete statement of the proposed transactions.

By order dated December 28, 1967 (Holding Company Act Release No.

15933), the Commission authorized the issue and sale by Delmarva of notes to banks and to a dealer in commercial paper. Delmarva proposes to increase its permissible borrowings from the issuance and sale of unsecured short-term notes to banks and to the commercial paper dealer from the present \$15 million limitation to \$19 million at any one time outstanding, generally under the same terms, conditions, and limitations stated in its original application. Delmarva now proposes to issue and sell short-term notes to the commercial paper dealer in an aggregate amount not to exceed \$9 million at any one time outstanding, an increase of \$1 million over the amount previously authorized. The combined aggregate amount of short-term notes issued to banks and to the commercial paper dealer will not exceed \$19 million at any one time outstanding. Delmarva requests that the exemption from the provisions of section 6(a) of the Act afforded to it by the first sentence of section 6(b) thereof, relating to the issue and sale of short-term notes, be increased until December 31, 1968, from 5 percent to approximately 9.3 percent of the principal amount and par value of the other securities of the company at the time outstanding.

Borrowings of up to said \$19 million to finance a part of Delmarva's 1967-68 construction program would be consummated only when and as required and would mature on various dates prior to January 1, 1969. Delmarva had outstanding on September 30, 1968, a total of \$12 million in unsecured short-term notes issued under the Commission's previous order in this proceeding, \$8 million of which has been issued and sold through a commercial paper dealer and the remaining \$4 million to commercial banks. Delmarva proposes to sell \$25 million of its first mortgage and collateral trust bonds due November 1, 1998, at competitive bidding on October 28, 1968 (Holding Company Act Release No. 16170). It is anticipated that the bank loans and commercial paper will be repaid from the proceeds of the sale of the bonds.

It is represented that no State commission and no Federal commission, other than this Commission, has jurisdiction over the proposed transactions.

Notice is further given that any interested person may, not later than October 31, 1968, request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said posteffective amendment to the application which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the applicant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate)

should be filed with the request. At any time after said date, the application, as now amended or as it may be further amended, may be granted as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission (pursuant to delegated authority).

[SEAL]

ORVAL L. DuBois,
Secretary.

[F.R. Doc. 68-12665; Filed, Oct. 17, 1968;
8:45 a.m.]

[70-4682]

MISSISSIPPI POWER CO.

Notice of Proposed Issue and Sale of Preferred Stock at Competitive Bidding and Proposed Amendment of Bylaws

OCTOBER 14, 1968.

Notice is hereby given that Mississippi Power Co. ("Mississippi"), 2500 14th Street, Gulfport, Miss. 39501, an electric-utility subsidiary company of The Southern Co., a registered holding company, has filed a declaration with this Commission, pursuant to the Public Utility Holding Company Act of 1935 ("Act"), designating sections 6(a) and 7 of the Act and Rule 50 promulgated thereunder as applicable to the proposed transactions. All interested persons are referred to the declaration, which is summarized below, for a statement of the proposed transactions.

Mississippi proposes to issue and sell, subject to the competitive bidding requirements of Rule 50 under the Act, 50,000 shares of its cumulative preferred stock, par value \$100 per share. The dividend rate of the preferred stock (which will be a multiple of 0.04 percent and the price to be paid to Mississippi (which will be not less than \$100 nor more than \$102.75 per share) will be determined by the competitive bidding. It is further proposed that Mississippi's bylaws be amended to allow for and to establish the terms of and provisions relating to the preferred stock.

The proceeds from the sale of the preferred stock will be applied by Mississippi to reduce short-term bank loans incurred for construction purposes, which bank loans are expected to be \$7,500,000 at December 31, 1968, and \$6 million at December 31, 1969.

It is stated that no State or Federal commission, other than this Commission, has jurisdiction over the proposed transactions. The fees and expenses to be paid in connection with the proposed transactions are to be supplied by amendment.

Notice is further given that any interested person may, not later than November 5, 1968, request in writing that a

hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request should be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon the declarant at the above-stated address, and proof of service (by affidavit or, in case of an attorney at law, by certificate) should be filed with the request. At any time after said date, the declaration, as filed or as it may be amended, may be permitted to become effective as provided in Rule 23 of the general rules and regulations promulgated under the Act, or the Commission may grant exemption from such rules as provided in Rules 20(a) and 100 thereof or take such other action as it may deem appropriate. Persons who request a hearing or advice as to whether a hearing is ordered, will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission (pursuant to delegated authority).

[SEAL]

ORVAL L. DuBois,
Secretary.

[F.R. Doc. 68-12666; Filed, Oct. 17, 1968;
8:45 a.m.]

PARAMOUNT GENERAL CORP.

Order Suspending Trading

OCTOBER 14, 1968.

It appearing to the Securities and Exchange Commission that the summary suspension of trading in the common stock of Paramount General Corp., Los Angeles, Calif., and all other securities of Paramount General Corp. being traded otherwise than on a national securities exchange is required in the public interest and for the protection of investors:

It is ordered, Pursuant to section 15(c) (5) of the Securities Exchange Act of 1934, that trading in such securities otherwise than on a national securities exchange be summarily suspended, this order to be effective for the period October 15, 1968, through October 24, 1968, both dates inclusive.

By the Commission.

[SEAL]

ORVAL L. DuBois,
Secretary.

[F.R. Doc. 68-12667; Filed, Oct. 17, 1968;
8:45 a.m.]

[812-2307]

TECHNICAL FUND, INC.

Notice of Filing of Application for Exemption

OCTOBER 14, 1968.

Notice is hereby given that Technical Fund, Inc. ("Applicant"), 33 Broad

Street, Boston, Mass. 02109, an open-end diversified investment company registered under the Investment Company Act of 1940, 15 U.S.C. section 80a-1 et. seq. ("Act"), has filed an application for an order pursuant to sections 17(b) and 17(d) of the Act and Rule 17d-1 thereunder exempting from the provisions of section 17(a) of the Act, and permitting pursuant to section 17(d) of the Act, the sale to Applicant by Securities Planners Associates, Inc. ("Securities"), the distributor of Applicant's shares and investment adviser to Applicant, of a part of the shares of Docktor Pet Centers, Inc. ("Docktor"), owned by Securities. All interested persons are referred to the application on file with the Commission for a statement of Applicant's representations which are summarized below.

On June 11, 1968, Securities purchased 5,000 common shares of no par value stock in Docktor from Docktor's principal underwriter, A. Lomasney and Co., at a price of \$4.80 per share. Docktor's shares were sold to the public at \$5 per share. If the application is granted Securities proposes to sell to Applicant 2,500 of these shares at a price of \$4.80 per share. Securities has previously sold 900 of the Docktor shares to the trustees of Securities' Profit-Sharing Plan.

Section 17(a) of the Act, as here pertinent, prohibits an affiliated person of a registered investment company, or an affiliated person of such affiliated person, from selling to such registered investment company any security or other property. The Commission, upon application pursuant to section 17(b) of the Act, may grant an exemption from the provisions of section 17(a) after finding that the terms of the proposed transaction are reasonable and fair and do not involve overreaching and that the proposed transaction is consistent with the policy of the registered investment company and the general purposes of the Act.

Section 17(d) of the Act and Rule 17d-1 thereunder, taken together, provide, among other things, that it shall be unlawful, with certain exceptions not applicable here, for an affiliated person of a registered investment company or an affiliated person of such a person, acting as principal, to participate in, or effect any transaction in connection with any joint enterprise or arrangement in which any such registered company is a participant unless an application regarding such arrangement has been granted by the Commission, and that, in passing upon such an application, the Commission will consider whether the participation of such registered company in such arrangement is consistent with the provisions, policies and purposes of the Act and the extent to which such participation is on a basis different from or less advantageous than that of other participants.

Securities is an affiliated person of Applicant by reason of its position as investment adviser to Applicant, and, therefore, the requested orders pursuant to sections 17(b) and 17(d) and Rule

17d-1 are necessary before Securities may sell to Applicant one-half of the Docktor shares it purchased from Docktor's principal underwriter.

Applicant states that the Docktor's shares have been selling at a price above \$10 and that for this and other reasons Applicant concludes that the terms of the proposed transaction are reasonable and fair, do not involve overreaching on the part of either party, and that the proposed transaction is consistent with its investment policy and with the general purposes of the Act.

The trustees of Securities' Profit-Sharing Plan have filed an undertaking that so long as Applicant shall own any Docktor securities, the trustees will not dispose of securities of Docktor owned by the trustees.

Securities has undertaken that so long as Applicant shall own any securities of Docktor, Securities will not dispose of any securities of Docktor which Securities owns and that so long as Securities owns any Docktor securities neither Securities nor any of its directors, officers, or employees will recommend the acquisition of Docktor securities to Applicant or any other registered investment company of which Securities shall become an investment adviser, unless Securities notifies the staff of the Commission within 30 days prior to such disposition or acquisition, subject to the right of the staff to reduce such notice period on request of Securities, and if, within 25 days of receipt of such notice the staff shall notify Securities that a substantial question exists whether the action proposed is appropriate, Securities will not effect such disposition and neither Securities nor any director, officer, or employee of Securities shall cause or participate in causing an acquisition pursuant to such recommendation unless Securities files an application under the Act and the Commission has entered an order permitting such disposition or acquisition.

Notice is further given that any interested person may, not later than November 4, 1968, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon Applicant at the address stated above. Proof of such service (by affidavit or in case of an attorney at law by certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0-5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request

or upon the Commission's own motion. Persons who request a hearing or advice as to whether a hearing is ordered, will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission (pursuant to delegated authority).

[SEAL]

ORVAL DuBOIS,
Secretary.

[F.R. Doc. 68-12668; Filed, Oct. 17, 1968;
8:46 a.m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

OCTOBER 15, 1968.

Protests to the granting of an application must be prepared in accordance with Rule 1100.40 of the general rules of practice (49 CFR 1100.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 41471—*Iron or steel skelp to Houston, Tex.* Filed by Southwestern Freight Bureau, agent (No. B-9120), for interested rail carriers. Rates on skelp, iron or steel, in carloads, from New Boston and Portsmouth, Ohio, to Houston, Tex.

Grounds for relief—Water competition.

Tariff—Supplement 81 to Southwestern Freight Bureau, agent, tariff ICC 4753.

FSA No. 41472—*Soda ash from Saltville, Va.* Filed by O. W. South, Jr., agent (No. A6059), for interested rail carriers. Rates on soda ash, in bulk, in covered hopper cars, in carloads, from Saltville, Va., to Chattanooga and Tyner, Tenn.

Grounds for relief—Market competition.

Tariff—Supplement 129 to Southern Freight Association, agent, tariff ICC S-517.

By the Commission.

[SEAL]

H. NEIL GARSON,
Secretary.

[F.R. Doc. 68-12689; Filed, Oct. 17, 1968;
8:47 a.m.]

[Notice 712]

MOTOR CARRIER TEMPORARY AUTHORITY APPLICATIONS

OCTOBER 15, 1968.

The following are notices of filing of applications for temporary authority under section 210a(a) of the Interstate Commerce Act provided for under the new rules of Ex Parte No. MC-67 (49 CFR Part 340), published in the FEDERAL REGISTER, issue of April 27, 1965, effective July 1, 1965. These rules provide that protests to the granting of an application

must be filed with the field official named in the FEDERAL REGISTER publication, within 15 calendar days after the date of notice of the filing of the application is published in the FEDERAL REGISTER. One copy of such protest must be served on the applicant, or its authorized representative, if any, and the protests must certify that such service has been made. The protests must be specific as to the service which such protestant can and will offer, and must consist of a signed original and six (6) copies.

A copy of the application is on file, and can be examined at the Office of the Secretary, Interstate Commerce Commission, Washington, D.C., and also in the field office to which protests are to be transmitted.

MOTOR CARRIERS OF PROPERTY

No. MC 95540 (Sub-No. 735 TA), filed October 11, 1968. Applicant: WATKINS MOTOR LINES, INC., 1120 West Griffin Road, Lakeland, Fla. 33801. Applicant's representative: Paul E. Weaver (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Textiles and textile products*, from East Greenwood, S.C., to Anadarko, Okla., for 180 days. Supporting shipper: Monsanto Co., 800 North Lindbergh Boulevard, St. Louis, Mo. 63166. Send protests to: District Supervisor Joseph B. Teichert, Interstate Commerce Commission, Bureau of Operations, Room 1226, 51 Southwest First Avenue, Miami, Fla. 33130.

No. MC 118806 (Sub-No. 8 TA), filed October 11, 1968. Applicant: ARNOLD BROS. TRANSPORT, LTD., 1101 Dawson Road, Winnipeg 6, Manitoba, Canada. Applicant's representative: F. E. Arnold (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Treated poles and posts*, from ports of entry on the United States-Canadian international boundary line located in Minnesota and North Dakota to points in Illinois, Kansas, and Nebraska, for 180 days. Supporting shipper: Domtar Chemicals Ltd., Wood Preserving Division, Room 610, 110 12th Avenue SW., Calgary, Alberta, Canada. Send protests to: J. H. Ambs, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 1621 South University Drive, Room 213, Fargo, N. Dak. 58102.

No. MC 112248 (Sub-No. 2 TA), filed October 9, 1968. Applicant: ALL STATE TRUCK LINES, INC., 474 North Foster Drive, Baton Rouge, La. 70806. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Steel waste disposal containers*, from Baton Rouge, La., to Fort Bragg, N.C., Fort Hood, Fort Sam Houston, and Fort Bliss, Tex., Fort Chaffe, Ark., Fort Sill, Okla., and Fort Folk, La., with no return movement except *damaged or rejected steel waste disposal containers*, for 180 days. Supporting shipper: BryMax, Inc., Suite 118, 1926 Wooddale Boulevard, Baton Rouge, La. Send protests to: W. R. Atkins, District Supervisor, Interstate Commerce

Commission, Bureau of Operations, T-4009 Federal Building, 701 Loyola Avenue, New Orleans, La. 70113.

No. MC 119880 (Sub-No. 25 TA), filed October 11, 1968. Applicant: DRUM TRANSPORT, INC., 616 Chicago Street, Box 2056, East Peoria, Ill. 61611. Applicant's representative: B. N. Drum (same address as above). Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Alcoholic liquors*, in bulk, in tank vehicles, from Pekin, Ill., to Baltimore, Md., and from Toledo, Ohio, Chicago, Ill., and New Orleans, La., to Peoria, Ill., San Francisco and Burlingame, Calif., for 180 days. Supporting shippers: Hiram Walker & Sons, Inc., Peoria, Ill. 61601; Joseph E. Seagram & Sons, Inc., 375 Park Avenue, New York, N.Y. 10022. Send protests to: Raymond E. Mauk, District Supervisor, Interstate Commerce Commission, Bureau of Operations, U.S. Courthouse, Federal Office Building, Room 1086, 219 South Dearborn Street, Chicago, Ill. 60604.

No. MC 124692 (Sub-No. 55 TA), filed October 11, 1968. Applicant: SAMMONS TRUCKING, Post Office Box 933, Missoula, Mont. 59801. Applicant's representative: Gene P. Johnson, 502 First National Bank Building, Fargo, N. Dak. 58102. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Dry fertilizer and dry fertilizer ingredients*, from (1) Pine Bend and Savage, Minn., and Minot, N. Dak., to points in Montana on and east of U.S. Highway 91; (2) from Minot, N. Dak., to points in South Dakota, for 180 days. Supporting shipper: Northwest Nitro-Chemicals Sales, Ltd., Room 1828, Soo Line Building, Fifth and Marquette, Minneapolis, Minn. 55402. Send protests to: Paul J. Labane, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 251 U.S. Post Office Building, Billings, Mont. 59101.

No. MC 126758 (Sub-No. 2 TA), filed October 9, 1968. Applicant: EUGENE J. GLOSIER AND LEROY F. SOMMER, a partnership, doing business as GLOSIER SERVICE CO., Post Office Box 366, St. Charles, Mo. 63301. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Corrugated steel pipe*, plain, galvanized, or asphalt coated, with *fittings and accessories*, from plantsite of Armco Steel Corp., Topeka, Kans., to points in St. Charles County, Mo., for 180 days. Supporting shipper: Armco Steel Corp., Middletown, Ohio 45042, Attention: C. W. Hall. Send protests to: J. P. Werthmann, District Supervisor, Bureau of Operations, Interstate Commerce Commission, Room 3248, 1520 Market Street, St. Louis, Mo. 63103.

No. MC 127227 (Sub-No. 5 TA), filed October 9, 1968. Applicant: BIRDSALL CONSTRUCTION COMPANY, 821 Avenue E, Riviera Beach, Fla. 33404. Applicant's representative: J. Edward Allen, Post Office Box 1086, Jacksonville, Fla. 32201. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Commod-*

ities in bulk, such as *acetone, methanol, isopropyl acetate, ethyl acetate, benzene, methylene chloride, toluene, xylene, hexane, muriatic acid, liquid caustic soda, poultry feeds, poultry feed ingredients, livestock feeds, and livestock feed ingredients*, from points in Dade, Broward, and Palm Beach Counties, Fla., to Palm Beach and Riviera Beach, Fla., transporting damaged and rejected shipments on return. Restricted to traffic having an immediate prior or subsequent movement by water, for 180 days. Supporting shippers: F. H. Ross & Co., 200 Northeast 181st Street, North Miami Beach, Fla. 33162; J. & L. Feed and Supply, Post Office Box 568, Dania, Fla.; Bahamas Poultry Co., Ltd., Post Office Box 137, Freeport, Grand Bahama, Bahamas; Syntex Corp., Post Office Box 330, Freeport, Grand Bahama Island. Send protests to: District Supervisor Joseph B. Teichert, Interstate Commerce Commission, Bureau of Operations, Room 1226, 51 Southwest First Avenue, Miami, Fla. 33130.

No. MC 129667 (Sub-No. 3 TA), filed October 9, 1968. Applicant: LONI-JO TRUCKING CORP., 700 East Gate Boulevard South, Garden City, N.Y. 11530. Applicant's representative: Arthur Liberstein, 160 Broadway, New York, N.Y. 10038. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities as are dealt in by retail supermarkets and equipment and supplies used in the operation thereof*, between points in the New York, N.Y., commercial zone and the facilities of Waldbaum's, Inc., in Garden City (Nassau County), N.Y., under continuing contract with Waldbaum's, Inc., for 150 days. Supporting shipper: Waldbaum's, 700 East Gate Boulevard South, Garden City, N.Y. 11532. Send protests to: E. N. Carignan, District Supervisor, Interstate Commerce Commission, Bureau of Operations, 26 Federal Plaza, New York, N.Y. 10007.

No. MC 133140 (Sub-No. 1 TA), filed October 11, 1968. Applicant: ROY KOTHENBEUTEL AND LUVERNE KOTHENBEUTEL, a partnership, doing business as ROCHESTER CITY DELIVERY, 521 North Broadway, Rochester, Minn. 55901. Applicant's representative: A. R. Fowler, 2288 University Avenue, St. Paul, Minn. 55114. Authority sought to operate as a *contract carrier*, by motor vehicle, over irregular routes, transporting: *Such commodities as are dealt in by retail department stores*, between the sites of the retail store and warehouses of The Dayton Co. at Rochester, Minn., on the one hand, and, on the other, points in Iowa on, east and north of a line extending from the Iowa-Minnesota State line over U.S. Highway 169 to its junction with U.S. Highway 20 at or near Fort Dodge, Iowa, thence over U.S. Highway 20 to Dubuque, Iowa, and points in Wisconsin on, west and south of a line extending from the Mississippi River, near Dubuque, Iowa, over U.S. Highway 61 to Westby, Wis., thence over Wisconsin Highway 27 to Osseo, Wis., thence over U.S. Highway 10 to Prescott, Wis., for 180 days. Supporting shipper: The Day-

ton Co., Rochester, Minn. 55901. Send protests to: District Supervisor A. N. Spath, Interstate Commerce Commission, Bureau of Operations, 448 Federal Building and U.S. Courthouse, 110 South Fourth Street, Minneapolis, Minn. 55401.

No. MC 133226 TA, filed October 9, 1968. Applicant: TENNIS HAROLD, doing business as TENNIS TRANSFER AND STORAGE CO., 1153 Commercial Avenue, Oxnard, Calif. 93030. Applicant's representative: Earnest D. Salm, 3846 Evans Street, Los Angeles, Calif. 90027. Authority sought to operate as a *common carrier*, by motor vehicle, over irregular routes, transporting: *Household goods*, as defined by the Commission, between points in the Los Angeles Harbor, Calif., commercial zone, as defined by the Commission, on the one hand, and, on the other, points in Santa Barbara and Ventura Counties, Calif.; between Oxnard, Calif., on the one hand, and, on the other, points in Los Angeles County, Calif.; between points in Santa Barbara and Ventura Counties, Calif.; between China Lake, Calif., on the one hand, and, on the other, points in Kern County, Calif., for 180 days. Supporting shipper: Jet Forwarding Inc., 2945 Columbia Street, Torrance, Calif. 90503. Send protests to: District Supervisor John E. Nance, Bureau of Operations, Interstate Commerce Commission, Room 7708, Federal Building, 300 North Los Angeles Street, Los Angeles, Calif. 90012.

By the Commission.

[SEAL] H. NEIL GARSON,
Secretary.

[F.R. Doc. 68-12690; Filed, Oct. 17, 1968;
8:47 a.m.]

[Notice 230]

MOTOR CARRIER TRANSFER PROCEEDINGS

OCTOBER 15, 1968.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 1132), appear below:

As provided in the Commission's special rules of practice any interested per-

son may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC-70797. By order of October 11, 1968, the Transfer Board approved the transfer to Fayette Chemical Co., Wood Ridge, N.J., of the operating rights in permits Nos. MC-124886, MC-124886 (Sub-No. 1), MC-124886 (Sub-No. 2), MC-124886 (Sub-No. 3), MC-124886 (Sub-No. 6), MC-124886 (Sub-No. 7), MC-124886 (Sub-No. 9), and MC-124886 (Sub-No. 10) issued November 1, 1965, November 1, 1965, November 1, 1965, July 16, 1965, October 11, 1965, December 27, 1965, September 22, 1966, and February 21, 1967, respectively, to Philip Picariello, doing business as P & F Carriers, Saddle Brook, N.J., authorizing the transportation, over irregular routes, of nitrocellulose solutions from Newark and Wood Ridge, N.J., to Alexandria, Va., Chamblee, Ga., Cleveland, Ohio, Lancaster, Pa., Lowville and Syracuse, N.Y., Bedford, Mass., and Delaware and Cleveland, Ohio, from Wood Ridge, N.J., to Chicago, Ill., High Point, N.C., and Canton and Medina, Ohio, and from Chicago, Ill., to Delaware, Ohio, Chamblee, Ga., and Detroit, Mich., and resins from Newark, N.J., to Canton and Medina, Ohio, and from Newark and Wood Ridge, N.J., to Alexandria, Va., Chamblee, Ga., Cleveland, Ohio, Lancaster, Pa., Lowville and Syracuse, N.Y., and New Bedford, Mass., for named shippers. George A. Olsen, 69 Tonnele Avenue, Jersey City, N.J. 07306; representative for applicants.

No. MC-FC-70828. By order of October 8, 1968, the Transfer Board approved the transfer to Waldon Carnall, Inc., Pomona, Calif., of the certificate in No. MC-73538, issued October 14, 1949, to Waldon Carnall, Inc. (name changed to W. J. Trucking, Inc.), Pomona, Calif., authorizing the transportation of: Lumber, from Los Angeles and Los Angeles Harbor, Calif., to La Verne, San Dimas,

Pomona, and Claremont, Calif., and machinery, from Pomona to Los Angeles and Los Angeles Harbor, Calif. Lynn D. Crandall, 1100 Glendon Avenue, Suite 2034, Los Angeles, Calif. 90024, attorney for applicants.

No. MC-FC-70834. By order of October 9, 1968, the Transfer Board approved the transfer to H. J. Russell's Inc., Vestal, N.Y., of certificate in No. MC-35677, issued April 19, 1956, to Serafini Construction Co., Inc., Binghamton, N.Y., authorizing the transportation of: Sand, gravel, crushed stone, bituminous road building materials, and road building machinery, equipment and supplies, between Binghamton, Willow Point, and Chenango Bridge, N.Y., on the one hand, and, on the other, points in New York, and Pennsylvania within 80 miles of Binghamton. Thomas L. Nestor II, 14 Washington Avenue, Endicott, N.Y. 13760, attorney for applicants.

[SEAL]

H. NEIL GARSON,
Secretary.

[F.R. Doc. 68-12691; Filed, Oct. 17, 1968;
8:48 a.m.]

Title 2—THE CONGRESS

ACTS APPROVED BY THE PRESIDENT

EDITORIAL NOTE: After the adjournment of the Congress *sine die*, and until all public acts have received final Presidential consideration, a listing of public laws approved by the President will appear in the daily FEDERAL REGISTER under Title 2—The Congress. A consolidated listing of the new acts approved by the President will appear in the Daily Digest in the final issue of the Congressional Record covering the 90th Congress, Second Session.

Approved October 16, 1968

H.R. 18366----- Public Law 90-576
Vocational Education Amendments of
1968.
S. 3769----- Public Law 90-575
Higher Education Amendments of
1968.
S. 698----- Public Law 90-577
Intergovernmental Cooperation Act of
1968.

CUMULATIVE LIST OF PARTS AFFECTED—OCTOBER

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published to date during October.

3 CFR

Page

PROCLAMATIONS:

3872	14617
3873	14695
3874	14859
3875	14941
3876	15049
3877	15275
3878	15327
See Proc. 3879	15329
3879	15329

EXECUTIVE ORDERS:

March 8, 1920 (revoked in part by PLO 4529)	14882
April 17, 1926 (revoked in part by PLO 4529)	14882
11431	14697

5 CFR

213	14777, 14876, 15331
550	15199, 15471

7 CFR

26	14619
51	14620
52	15199
101	14699
210	15243
220	15107
225	15405
318	14621
362	15294
722	15405, 15406
777	14676
850	14624
855	14699
864	15013
874	14876
905	15243, 15294
907	15471
909	15295
910	14943, 15244
947	15295
948	15052
989	14777, 15331
1033	15407
1062	14625, 15107
1071	15107
1104	15473
1108	15474
1133	15108
1425	15475
1427	15015
1443	15331
1488	15052, 15408

PROPOSED RULES:

53	15482
68	15432
319	15253
362	15214
725	15481
815	15027
907	14710
908	14714
919	15343
932	15253
947	14970
959	15214
966	15343

7 CFR—Continued

Page

PROPOSED RULES—Continued

980	15432
982	15125, 15215
984	15254
1004	15215
1009	14784, 15069
1033	15254
1036	14784, 15069
1097	15433
1104	14884, 15256
1108	14886

8 CFR

103	15200
204	15200
238	15200

9 CFR

78	14700
83	15108
310	15475

PROPOSED RULES:

311	15433
318	15027

12 CFR

1	15335
217	15408
329	15408
563	15277

PROPOSED RULES:

204	14648
217	14648
226	15506
541	15262
545	15262

13 CFR

101	15475
121	15477

14 CFR

25	15410
39	14636, 14777, 14778, 14861, 14943, 15200, 15244, 15410, 15411.
71	14701, 14778, 14861, 14862, 15108, 15109, 15245, 15412.
75	14701
95	15245, 15412
97	14862, 15001, 15051, 15201
103	14876, 14935, 15412
291	15212
399	15413

PROPOSED RULES:

37	15344
39	14887, 15125, 15219
71	14647, 14716, 14785, 14887, 15069, 15125, 15126, 15259, 15260, 15434.
73	15126
151	14887, 15435
Ch. II	15260
207	14888
211	14717
225	15220, 15346

14 CFR—Continued

Page

PROPOSED RULES—Continued

241	14717
288	14785
296a	15260
302	14717, 14723
399	14717

15 CFR

7	14642
1000	15158

16 CFR

13	15016-15020, 15061-15065, 15110, 15278, 15279, 15414, 15415.
15	14637, 15020, 15021, 15199, 15200
245	15021

PROPOSED RULES:

247	14648
-----	-------

17 CFR

230	14638
-----	-------

PROPOSED RULES:

239	14652
240	14652
249	14652
270	15262

18 CFR

2	14943
14	14943
154	14638
157	14638
401	15336

19 CFR

4	15021
5	15022
6	15022
8	14958
16	15111
24	15022

21 CFR

1	15023, 15113, 15280
8	15280
18	14640
120	14640, 15024
121	15113, 15114, 15281, 15415, 15416
130	15023
141	15282
144	15113
146	15023
301	14818
302	14819
303	14826
305	14827
306	14828
307	14828
315	14836
316	14836
319	14841
320	14842, 14880

PROPOSED RULES:

46	15126
121	14647

21 CFR—Continued

Page

PROPOSED RULES—Continued

138	15219
141b	15433
146b	15433

23 CFR

217	14636
255	14964, 15065

PROPOSED RULES:

255	15028, 15029
275	14971

24 CFR

0	15114
81	14779
201	15478
221	14880, 15212
1000	14880
1500	14953

25 CFR

Ch. I	15067
131	14640

PROPOSED RULES:

151	15429
255	15431

26 CFR

1	14779
301	14779

PROPOSED RULES:

1	14707, 14709, 15027
---	---------------------

27 CFR

4	15024
---	-------

28 CFR

45	14780
----	-------

29 CFR

1510	15284
------	-------

30 CFR

2	15478
---	-------

31 CFR

257	14644, 15213
-----	--------------

PROPOSED RULES:

209	15426
-----	-------

32 CFR

1	15380
2	15383
3	15386
4	15387
5	15387
7	15388
9	15391
10	15391
13	15392
14	15392
16	15392
18	15393
19	15393
30	15400
50	15388
51	15213
827a	14953
850	15404

32 CFR—Continued

Page

870	14957
873	14957
881	15247
887	15404
888	15404
907	14958

32A CFR**BDSA (Ch. VI):**

M-43A	15285
-------	-------

33 CFR

67	15285
117	15025

36 CFR

21	14641
400	15379

PROPOSED RULES:

7	14710, 15297
---	--------------

37 CFR**PROPOSED RULES:**

1	15218
---	-------

38 CFR

0	14780
3	15285, 15286

39 CFR

125	14780
154	15416
155	15416
161	15416
916	15026
955	15286

41 CFR

5A-72	15340
5A-73	15340
8-2	14780
8-3	14701
8-7	14701
8-8	14701
8-16	14702
9-1	15250, 15289
9-5	15289
9-7	15250
12-3	15112
101-26	14958

PROPOSED RULES:

50-201	14971
50-204	15028, 15297

42 CFR

81	14645
----	-------

PROPOSED RULES:

74	15297
81	14886

43 CFR

Page

1840	15066
1850	15066
2230	15066
3530	15066

PUBLIC LAND ORDERS:

3634 (revoked in part by PLO 4526)	14881
------------------------------------	-------

43 CFR—Continued

Page

PUBLIC LAND ORDERS—Continued

4210 (revoked in part by PLO 4524)	14880
4270 (corrected)	15251
4524	14880
4525	14881
4526	14881
4527	14881
4528	14881
4529	14882
4530	14883
4531	14883
4532	14883
4533	14883
4534	14959

PROPOSED RULES:

1720	14709
2220	14784

45 CFR

73	15290
----	-------

PROPOSED RULES:

280	15482
-----	-------

46 CFR

31	14703
71	14703
91	14703

PROPOSED RULES:

536	15221
-----	-------

47 CFR

0	15290
73	14703, 15067, 15068, 15291, 15292, 15417
74	15417
81	14705
83	14705
85	14705

PROPOSED RULES:

73	14889, 15029, 15069, 15261
74	15072
87	14724

49 CFR

171	14920
172	14920
173	14920
174	14931
175	14932
177	14933
178	14934
1033	14706, 14959, 15120, 15122, 15341

PROPOSED RULES:

1056	15030
1060	14972
1206	15346
1240	15346
1249	15346

50 CFR

32	14706, 14781-14783, 14960-14963, 15122-15124, 15251, 15252, 15424, 15425
33	15124, 15425

FEDERAL REGISTER

VOLUME 33 • NUMBER 204

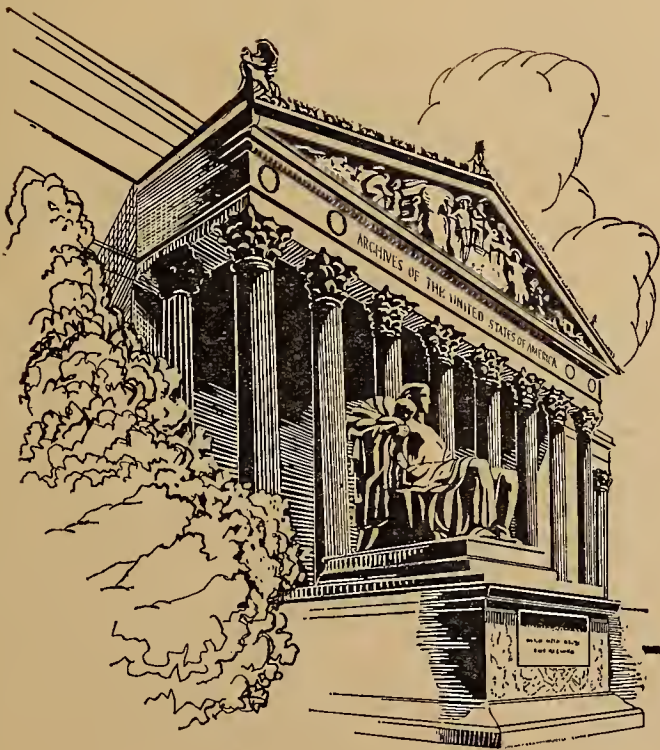
Friday, October 18, 1968 • Washington, D.C.

PART II

FEDERAL RESERVE SYSTEM

•
Truth in Lending

•
Proposed Regulations



FEDERAL RESERVE SYSTEM

[12 CFR Part 226]

[Reg. Z]

TRUTH IN LENDING

Notice of Proposed Rule Making

The Board of Governors of the Federal Reserve System is considering the adoption of a new Part 226 (Regulation Z), to be issued pursuant to authority contained in the Truth in Lending Act, which is Title I of the Consumer Credit Protection Act (Public Law 90-321; 82 Stat. 146).

The purpose of the regulation is to implement the Truth in Lending Act which covers three broad areas: (1) Disclosure by creditors of the terms and cost of credit, including the dollar amount of the finance charge and the annual percentage rate, (2) the right of a customer to rescind certain credit transactions if a lien on his residence is or will be involved, and (3) standards for the advertising of credit terms.

The Act directs that the Board's regulation shall include certain provisions, and further provides that the regulation "may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this title, to prevent circumvention or evasion thereof, or to facilitate compliance therewith."

The proposed regulation seeks to carry out the Congressional directives by the inclusion of provisions which will facilitate compliance with the Act and insure that consumer credit customers will receive meaningful disclosures.

This notice is published pursuant to section 553(b) of title 5, United States Code, and § 262.2(a) of the rules of procedure of the Board of Governors of the Federal Reserve System.

To aid in the consideration of this matter by the Board, interested persons are invited to submit relevant data, views, or arguments. Such comments should be submitted in writing to any Federal Reserve Bank on or before November 18, 1968.

Dated at Washington, D.C., this 14th day of October 1968.

By order of the Board of Governors.

[SEAL] ROBERT P. FORRESTAL,
Assistant Secretary.

Sec.	
226.1	Authority, scope, purpose, etc.
226.2	Definitions and rules of construction.
226.3	Exempted transactions.
226.4	Determination of finance charge.
226.5	Determination of annual percentage rate.
226.6	General disclosure requirements.
226.7	Open end credit accounts—specific disclosures.
226.8	Credit other than open end—specific disclosures.
226.9	Right to rescind certain transactions.
226.10	Advertising credit terms.

Sec.	
226.11	Calculation of annual percentage rate.
226.12	Comparative Index of Credit Cost for open end credit.
226.13	Exemption of certain State regulated transactions.

AUTHORITY: The provisions of this Part 226 issued under 15 U.S.C. 1601-1605.

§ 226.1 Authority, scope, purpose, etc.

(a) *Authority, scope, and purpose.* (1) This part comprises the regulations which are issued by the Board of Governors of the Federal Reserve System pursuant to Title I (Truth in Lending Act) and Title V (General Provisions) of the Consumer Credit Protection Act (Public Law 90-321; 82 Stat. 146 et seq.). Except as otherwise provided herein, this part applies to all persons who in the ordinary course of business extend, or arrange for the extension of, credit for personal, family, household, or agricultural purposes.

(2) This part implements the purpose of the Act, which is to assure that every customer who has need for loan or sale credit for the purposes stated above is given meaningful information as to the cost of credit, in most cases expressed in dollars of finance charge and an annual percentage rate computed on the declining unpaid balance. Other relevant terms must also be disclosed so that the customer may readily compare the various credit terms available to him and use consumer credit on an informed basis to his best advantage. This part also implements a provision of the Act under which a customer has a right to cancel a credit transaction which involves a lien on his residence, other than a purchase-money first lien, and void that lien without any liability by notifying the creditor of his cancellation within 3 business days. All advertising of consumer credit terms must comply with specific standards, and certain credit terms may not be advertised unless they are made available to all who qualify. Certain provisions of the Act are incorporated in this part to facilitate their use. Neither the Act nor this part controls consumer credit charges, or interferes with trade practices except to the extent that such practices may be inconsistent with the purpose of the Act.

(b) *Administrative enforcement.* (1) As set forth more fully in section 108 of the Act, administrative enforcement of the Act and this part as to certain creditors is assigned to the Federal agencies which otherwise regulate or supervise those creditors; namely, Comptroller of the Currency, Board of Directors of the Federal Deposit Insurance Corporation, Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation), Director of the Bureau of Federal Credit Unions, Interstate Commerce Commission, Civil Aeronautics Board, Secretary of Agriculture, and Board of Governors of the Federal Reserve System.

(2) Except to the extent that administrative enforcement is specifically committed to other agencies, compliance with the requirements imposed under the

Act and this part will be enforced by the Federal Trade Commission.

(c) *Preservation and inspection of records.* Evidence of compliance with this part shall be preserved by the creditor for the life of the transaction to which it relates or for a period of not less than 2 years from the date of that transaction, whichever is longer. Each creditor shall, when directed by the appropriate administrative enforcement agency designated in section 108 of the Act, permit that agency to inspect its relevant records and evidence of compliance with this part.

(d) *Penalties and liabilities.* Section 112 of the Act provides for criminal liability for willful and knowing failure to comply with any requirement imposed under the Act and this part, and section 130 of the Act provides for civil liability on the part of any creditor who fails to disclose any information required under chapter 2 of the Act, and this part.

§ 226.2 Definitions and rules of construction.

For the purposes of this part, unless the context otherwise requires, the following definitions and rules of construction apply:

(a) "Act" refers to the Truth in Lending Act (Title I of the Consumer Credit Protection Act).

(b) "Advertisement" means any commercial message in any newspaper, magazine, leaflet, flyer, or catalog, on radio, television, or public address system, in direct mail literature or other printed material, on any interior or exterior sign or display, in any window display, in any point-of-transaction literature, or price tag, or which is delivered or made available in any manner whatsoever.

(c) "Agricultural purpose" means a purpose related to the production, harvest, exhibition, marketing, transportation, processing, or manufacture of agricultural products by a natural person who cultivates, plants, propagates, or nurtures agricultural products. "Agricultural products" includes agricultural, horticultural, viticultural, and dairy products, livestock, wildlife, poultry, bees, forest products, fish, and shellfish, and any products thereof, including processed and manufactured products, and any and all products raised or produced on farms and any processed or manufactured products thereof.

(d) "Billing cycle" means the time interval for which a creditor bills a customer.

(e) "Board" refers to the Board of Governors of the Federal Reserve System.

(f) "Cash price" means the price at which the creditor would, in the ordinary course of business, sell for cash the property or services which are the subject of a consumer credit transaction. It may include the cash price of accessories or services related to the sale such as delivery, installation, alterations, modifications, and improvements, but shall not include any charges of the types described in § 226.4.

(g) "Comparative Index of Credit Cost" means that relative measure of the cost of credit under an open end

credit account, computed in accordance with § 226.12, which is the expression of "average effective annual percentage rate of return" and "projected rate of return" which appear in section 127(a) (5) of the Act.

(h) "Consumer credit" or "consumer loan" means credit offered or extended to a natural person, in which the money, property, or service which is the subject of the transaction is primarily for personal, family, household, or agricultural purposes and for which either a finance charge is or may be imposed or which is payable in more than four installments.

(i) "Credit" means the right granted by a creditor to a customer to defer payment of debt or to incur debt and defer its payment or to purchase goods or services and defer payment therefor. (See also paragraph (w) of this section.)

(j) "Creditor" means a person who in the ordinary course of business extends or arranges for the extension of consumer credit, or offers to extend or arrange for the extension of such credit, whether in connection with loans, sales of property or services, or otherwise.

(k) "Credit sale" means any sale with respect to which consumer credit is extended or arranged by the seller. The term includes any contract in the form of a bailment or lease if the bailee or lessee contracts to pay as compensation for use a sum substantially equivalent to or in excess of the aggregate value of the property and services involved and it is agreed that the bailee or lessee will become, or for no other or for a nominal consideration has the option to become, the owner of the property upon full compliance with his obligations under the contract.

(l) "Customer" means a natural person to whom consumer credit is or will be extended.

(m) "Dwelling" means a residential-type structure containing one but not more than four family housing units, whether or not the customer resides or expects to reside in the structure.

(n) "Open end credit" means consumer credit extended on an account pursuant to an agreement between a creditor and a customer under which (1) the creditor may permit the customer to make purchases or obtain loans, from time to time, directly from the creditor or indirectly by use of a credit card, check, or other device, as the agreement may provide; (2) the credit so extended and related charges are debited to the customer's account; and (3) a finance charge may be imposed periodically by the creditor on an outstanding unpaid balance.

(o) "Organization" means a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, or association.

(p) "Period" means a day, week, month, or other regular subdivision of a year.

(q) "Periodic rate" means a percentage rate of finance charge which is or may be imposed by a creditor against an unpaid balance in an open end credit account for a period or billing cycle.

(r) "Person" means a natural person or an organization.

(s) "Real property" means property which is real property under the law of the State in which it is located.

(t) "Residence" means a dwelling in which the customer resides or expects to reside.

(u) "Security interest" and "security" mean any interest in property which secures payment or performance of an obligation. The terms include, but are not limited to, security interests under the Uniform Commercial Code, real property mortgages and deeds of trust, mechanic's, materialmen's, artisan's, and other similar liens, vendor's liens in both real and personal property, the interest of the seller in a contract for the sale of real property, and any interest in a lease when used to secure payment or performance of an obligation.

(v) "State" means any State, the Commonwealth of Puerto Rico, the District of Columbia, and any territory or possession of the United States.

(w) In the succeeding sections of this part, unless the context indicates otherwise, the term "credit" shall be construed to mean "consumer credit," the term "loan" to mean "consumer loan," and the term "transaction" to mean "consumer credit transaction."

(x) A transaction shall be considered consummated at the time a bilateral contractual relationship is created between a creditor and a customer irrespective of the time of performance of either party.

(y) Captions and catchlines are intended solely as aids to convenient reference, and no inference as to the intent of any provision of this part may be drawn from them.

§ 226.3 Exempted transactions.

This part does not apply to:

(a) *Business or governmental credit.* Credit transactions involving extensions of credit for business or commercial purposes,¹ or to governments or governmental agencies or instrumentalities, or to organizations.

(b) *Certain transactions in securities or commodities accounts.* Transactions in securities or commodities accounts with a broker-dealer registered with the Securities and Exchange Commission.

(c) *Nonreal property credit over \$25,000.* Credit transactions, other than real property transactions, in which the amount financed² exceeds \$25,000, or in which the transaction is pursuant to an express commitment by the creditor to extend credit in excess of \$25,000. For this purpose, a real property transaction is an extension of credit in connection with which a security interest in real property is or will be retained or acquired.

(d) *Certain public utility bills.* Transactions of a public utility under public utility tariffs involving services for which

¹ See § 226.2(h).

² For this purpose, the amount financed is the amount which is required to be disclosed under § 226.8 (b) (7), or (c) (5), as applicable, or would be so required if the transaction were subject to this part.

charges are imposed for delayed payment, or discounts are allowed for early payment, if such public utility establishes to the Board's satisfaction, by certification of a State regulatory body, that its charges for public utility services and its related delayed payment charges or early payment discounts are regulated by that body.

§ 226.4 Determination of finance charge.

(a) *General rule.* Except as otherwise provided in this section, the amount of the finance charge in connection with any transaction shall be determined as the sum of all charges, payable directly or indirectly by the customer, and imposed directly or indirectly by the creditor as an incident to or a condition of the extension of credit, including any of the following types of charges, whether paid or payable by the customer, the seller, or any person on behalf of the customer to the creditor or to a third party with the knowledge or consent of the creditor:

(1) Interest, time price differential, and any amount payable under a discount or other system of additional charges.

(2) Service, transaction, activity, or carrying charge.³

(3) Loan fee, points, finder's fee, or similar charge.

(4) Fee for an appraisal, investigation, or credit report.

(5) Charges or premiums for credit life, accident, health, or loss of income insurance, written in connection with any credit transaction unless—

(i) The coverage of the customer by the insurance is not a factor in the approval by the creditor of the extension of credit, and this fact is clearly disclosed in writing to the customer applying for or obtaining the extension of credit; and

(ii) In order to obtain the insurance in connection with the extension of credit, the customer is required to give specific affirmative written indication of his desire to do so after written disclosure to him of the cost thereof.

(6) Charges or premiums for insurance, written in connection with any

³ These charges include any additional charge for the handling of checks, sales slips, for making account entries, for account maintenance or otherwise, imposed in connection with an account only during the time any balance therein represents an extension of credit.

⁴ A policy of insurance owned by the customer, which is assigned to the creditor or otherwise made payable to the creditor to satisfy a requirement imposed by the creditor, is not insurance "written in connection with" a credit transaction if the policy was not purchased by the customer for the purpose of being used in connection with that extension of credit.

⁵ A policy of insurance owned by the customer, which is assigned to the creditor or otherwise made payable to the creditor to satisfy a requirement imposed by the creditor, is not insurance "written in connection with" a credit transaction if the policy was not purchased by the customer for the purpose of being used in connection with that extension of credit.

credit transaction, against loss of or damage to property or against liability arising out of the ownership or use of property, unless a clear and specific statement in writing is furnished by the creditor to the customer setting forth the cost of the insurance if obtained from or through the creditor, if applicable, and stating that the customer may choose the agent or other person through which the insurance is to be obtained.⁶

(7) Premium or other charge for any other guarantee or insurance protecting the creditor against the obligor's default or other credit loss.

(8) Charges of the following types when added to the credit extended, unless itemized and disclosed:

(i) Fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of, or for perfecting or releasing or satisfying any security related to, the credit transaction.

(ii) The premium payable for any insurance in lieu of perfecting any security interest otherwise required by the creditor in connection with the transaction, but the premium shall be included if it exceeds the fees and charges described in subdivision (i) of this subparagraph which would otherwise be payable.

(iii) Taxes imposed upon the customer.

(iv) License fees.

(v) Certificate of title fees.

(vi) Registration fees.

(9) Any charge imposed by a creditor upon another creditor for purchasing or accepting a written order, sales draft, or similar obligation to be debited to a customer's open end credit account, unless there is a written agreement between the two creditors providing that the customer shall not be required to pay any part of that charge through any increase in price or otherwise, and in fact the customer is not required to do so.

(b) *Excluded charges, real property transactions.* The following charges in connection with any extension of credit secured by an interest in real property, provided they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this part, shall not be included in the finance charge:

(1) Fees or premiums for title examinations, title insurance, or similar purposes.

(2) Fees for preparation of a deed, settlement statement, or other documents.

(3) Escrows for future payments of taxes and insurance.

(4) Fees for notarizing deeds and other documents.

(5) Appraisal fees.

(6) Credit reports.

(c) *Prohibited offsets.* Interest, dividends, or other income received or to be received by the customer on deposits or on investments in real or personal prop-

erty in which a creditor holds a security interest shall not be deducted from the amount of the finance charge or otherwise taken into consideration in computing the annual percentage rate.

(d) *Demand obligations.* Obligations payable on demand shall be considered to have a maturity of 6 months for the purpose of computing the amount of the finance charge and the annual percentage rate.

(e) *Computation of insurance premiums.* If any insurance premium is required to be included as a part of the finance charge, the amount to be included shall be the premium for coverage extending over the period of time the creditor will require the customer to maintain insurance coverage in connection with the transaction. For the purpose of computing the amount of insurance premiums included in the finance charge, it shall be assumed that the rates and classifications applicable at the time the credit is extended apply over the full time during which coverage is required, unless the creditor knows or has reason to know that other rates or classifications will be applicable, in which case such other rates or classifications shall be used to the extent appropriate.

§ 226.5 Determination of annual percentage rate.

(a) *General rule—open end credit accounts.* The annual percentage rate or rates for open end credit accounts shall be computed to the nearest hundredth of 1 percent and shall be determined as follows:

(1) Where the finance charge is exclusively the product of the application of one or more periodic rates, by multiplying each periodic rate by the number of billing cycles in a year to determine each annual percentage rate, except that if the finance charge is the product of the application of two or more periodic rates, at the creditor's option, a single annual percentage rate may be determined by dividing the total finance charge by the sum of the balances to which applicable and multiplying the quotient (expressed as a percentage) by the number of billing cycles in a year.

(2) Where the finance charge exceeds 50 cents for a monthly or longer billing cycle, or the pro rata part of 50 cents for a billing cycle shorter than monthly,⁷ and is or includes a minimum, fixed, or other charge not due to the application of a periodic rate, the annual percentage rate shall be determined by dividing the total finance charge by the amount of the balance to which applicable and multiplying the quotient (expressed as

⁷ Where the finance charge is not more than 50 cents for a monthly or longer billing cycle, or the pro rata part of 50 cents for a billing cycle shorter than monthly, and is or includes a minimum, fixed, or other charge, the annual percentage rate or rates may be determined by multiplying each applicable periodic rate by the number of billing cycles in a year irrespective of such minimum, fixed, or other charge.

a percentage) by the number of billing cycles in a year.

(b) *General rule—other credit.* The annual percentage rate for credit other than open end credit shall be determined in accordance with the actuarial method as described in paragraph (a) of § 226.11, or by the use of charts or tables which conform to the requirements of paragraph (b) of § 226.11.

(1) *Regulation Z tables.* The Regulation Z tables produced by the Board may be used to determine the annual percentage rate in commonly encountered transactions. An annual percentage rate determined in accordance with the instructions for the use of these tables will comply with the requirements of this part. The tables are available at cost from the Board in Washington, D.C., the Federal Reserve Banks and branches, and the other agencies responsible for administrative enforcement of the Act and this part.

(2) *Computation by other method.* In any instance where circumstances require that a creditor determine an annual percentage rate by a method other than that provided in paragraph (a) of § 226.11, the creditor may use the constant ratio method of computation, as set forth in paragraph (g) of § 226.11, provided such use is not for the purpose of circumvention or evasion of the requirements of this part.

(3) *Minor irregularities.* If an obligation is payable in equal instalments at scheduled equal intervals, except for one or both of the irregularities described in subdivisions (i) and (ii) of this subparagraph, and the period from the date credit is extended to the date the final payment is due is not less than 3 months in the case of weekly payments, 6 months in the case of biweekly or semimonthly payments, or 1 year in the case of monthly payments, in determining the annual percentage rate, the creditor may, at his option, treat the following irregularities as if they were regular in amount or time, as the case may be:

(i) The amount of one payment is unequal, but not more than 50 percent greater nor 50 percent less than the amount of a regular payment; or

(ii) The interval between the date credit is extended and the date the first payment is due is unequal, but not less than 5 days for an obligation payable in weekly instalments, not less than 10 days for an obligation payable in biweekly or semimonthly instalments, or not less than 20 days for an obligation payable in monthly instalments.

(4) *Finance charge applicable to range of balances.* Where a creditor imposes the same finance charge for all balances within a specified range and requires payments of equal amount, except for a final payment which may be for a lesser amount, and requires all payments to be made at equal intervals, the annual percentage rate shall be determined as prescribed in paragraph (b)(5) of § 226.11.

(c) *Error in a table or chart.* In the event an error occurs in disclosure of an annual percentage rate because of a cor-

⁶ A creditor's reservation or exercise of the right to refuse to accept an insurer or agent offered by the customer, for reasonable cause, does not require inclusion of the premium in the finance charge.

responding error in a table or chart acquired in good faith by the creditor, that error in disclosure shall not, in itself, be considered a violation of this part provided that upon discovery of the error, that creditor makes no further disclosure based on that table or chart and immediately notifies the Board or a Federal Reserve Bank in writing of the error and identifies the inaccurate table or chart by giving the name and address of the person responsible for its production and its serial number. Nothing in this paragraph shall affect the possible civil liability of any creditor under section 130 of the Act.

(d) *Rounding.* Any annual percentage rate determined in accordance with paragraph (a) or (b) of this section may, for the purpose of disclosure, be rounded to the nearest quarter of 1 percent in the case of annual percentage rates of 2 percent or more and to the nearest one-eighth of 1 percent in the case of annual percentage rates of less than 2 percent. (For example, 18.31 percent may be rounded to 18.25 percent, which also may be expressed as 18¼ percent.)

§ 226.6 General disclosure requirements.

(a) *Clear and conspicuous disclosure.* Disclosures required by §§ 226.7 and 226.8 shall be made clearly and conspicuously in the order and terminology set forth in the applicable section or in substantially similar order or in other terminology conveying substantially the same meaning, except that where the terms "annual percentage rate", "annual percentage rate of finance charge", or "Comparative Index of Credit Cost" are specified, no alternative terminology may be used.

(b) *Use of figures—size of type.* All numerical amounts and percentages shall be stated in figures. Except as provided in § 226.9(b), terminology identifying disclosures, numerical amounts, and percentages shall be printed in not less than 10-point roman boldface type numerals and capital letters, 0.079-inch computer type, elite size typewritten capital letters, or legibly handwritten in equivalent size figures and letters.

(c) *Additional information.* Additional information or explanations may be supplied with any disclosure required or in any advertisement subject to § 226.10, but none shall be stated, utilized, placed, or subsequently omitted so as to contradict, mislead, confuse, obscure, or detract attention from the information required to be disclosed by this part.

(d) *Copy to customer.* At the time disclosures are made, the creditor shall furnish the customer with a duplicate of the instrument or statement by which the disclosures required by this part are made. Such copy shall clearly identify the creditor by name and address.

(e) *Multiple creditors: joint disclosure.* If there is more than one creditor in a transaction, each creditor shall be responsible for the disclosures required by this part. If two or more creditors make a joint disclosure, each shall be clearly identified by name and address.

(f) *Unknown information estimate.* If at the time disclosures must be made, an amount or other item of information required to be disclosed, or needed to determine a required disclosure, is unknown or not available to the creditor, and the creditor has made a reasonable effort to ascertain it, the creditor may use an estimated amount or an approximation of the information, provided the estimate or approximation is clearly identified as such, is reasonable, is based on the best information available to the creditor, and is not used for the purpose of circumventing or evading the disclosure requirements of this part.

(g) *Overstatement.* The disclosure of an amount or percentage which is greater than the amount or percentage required to be disclosed under this part does not in itself constitute a violation of this part, provided that the overstatement is not for the purpose of circumvention or evasion of disclosure requirements.

(h) *Transitional period.* Prior to January 1, 1970, any creditor may utilize existing supplies of printed forms, irrespective of type size, for the purpose of complying with the disclosure requirements of this part, except that required under paragraph (b) of § 226.9, provided such forms are altered or supplemented as necessary to assure that all of the items of information the creditor is required to disclose to the customer are set forth clearly and conspicuously.

(i) *Percentage rate as dollars per hundred.* Prior to January 1, 1971, any rate required under this part to be disclosed as a percentage rate may, at the option of the creditor, be expressed in the form of the corresponding ratio of dollars per hundred dollars using the term "Dollars finance charge per year per \$100 of unpaid balance." (For example, an add on finance charge of 4 percent on an obligation payable in 36 equal monthly installments is equivalent to an annual percentage rate (rounded to the nearest quarter of 1 percent) of 7.50 percent which may be stated as "\$7.50 finance charge per year per \$100 of unpaid balance".)

§ 226.7 Open end credit accounts—specific disclosures.

(a) *Opening new account.* Before opening any open end credit account, the creditor shall disclose to the customer in a single written statement, in terminology consistent with the requirements of paragraph (b) of this section, each of the following items, to the extent applicable:

(1) The conditions under which a finance charge may be imposed directly or indirectly, including the time period, if any, within which any credit extended may be paid without incurring a finance charge.

(2) The method of determining the balance upon which a finance charge may be imposed.

(3) The method of determining the amount of the finance charge, including the determination of any minimum, fixed, check service, activity, or similar

charge, which may be imposed as a finance charge.

(4) Where one or more periodic rates may be used to compute the finance charge, each such rate, the range of balances to which it is applicable, and the corresponding annual percentage rate determined by multiplying the periodic rate by the number of billing cycles in a year.

(5) If the creditor so elects, the Comparative Index of Credit Cost in accordance with § 226.12.

(6) The conditions under which any other charges may be imposed, and the method by which they will be determined.

(7) The conditions under which the creditor may retain or acquire any security interest in any property to secure the payment of any credit extended on the account, and a description of the interest or interests which may be so retained or acquired.

(8) The minimum periodic payment required.

(b) *Periodic statements required.* The creditor of any open end credit account shall transmit to the customer, for each billing cycle at the end of which there is an outstanding debit balance in excess of \$1 in that account or with respect to which a finance charge is imposed, a statement, or statements in accordance with paragraph (c) of this section, which the customer may retain, setting forth each of the following items to the extent applicable:

(1) The outstanding balance in the account at the beginning of the billing cycle using the term "previous balance."

(2) The amount, date, and type of each extension of credit during the billing cycle and, unless previously furnished, a brief identification⁸ of any goods or services purchased, and the amount of any other charge not part of the finance charge.

(3) Each amount credited to the account during the billing cycle for payments, returns, rebates of finance charges, and adjustments, using appropriate descriptive terminology, and unless previously furnished, a brief identification⁹ of each item credited.

(4) The amount of any finance charge, using the term "finance charge," debited to the account during the billing cycle, itemized and identified to show the amounts, if any, due to the application of periodic rates and the amount of any other charge included, such as a minimum, fixed, check service, or activity charge,⁹ using appropriate descriptive terminology.

(5) Each periodic rate, using the term "periodic rate" (or "rates"), that

⁸ Identification may be made on an accompanying slip or by symbol relating to an identification list printed on the statement.

⁹ These charges include any additional charge for the handling of checks, sales slips, for making account entries, for account maintenance or otherwise, imposed in connection with an account only during the time any balance therein represents an extension of credit.

may be used to compute the finance charge (whether or not applied during the billing cycle), and the range of balances to which it is applicable.

(6) The annual percentage rate or rates determined under § 226.5(a) identified by the term "annual percentage rate (or 'rates') of finance charge," and where there is more than one rate, the part of the balance to which each is applicable.

(7) If the creditor so elects, the Comparative Index of Credit Cost in accordance with § 226.12.

(8) The balance on which the finance charge was computed and a statement of how the balance was determined. If the balance is determined without first deducting all credits during the billing cycle, that fact and the amount of such credits shall also be disclosed.

(9) The outstanding balance in the account at the end of the billing cycle, using the term "new balance," accompanied by the statement, "pay this amount before _____ to avoid ad-
(Date)

ditional finance charges," or a statement of the same meaning, if that is the case.

(c) *Location of disclosures.* The disclosures required by paragraph (b) of this section may be made on the periodic statement and its reverse side, or on the periodic statement supplemented by separate statement forms provided they are enclosed together and delivered to the customer at the same time, and further provided that—

(1) The disclosure required by paragraph (b)(1) of this section, the respective totals of the amounts required to be disclosed under paragraph (b)(2), (3), and (4) of this section and the disclosure required by paragraph (b)(9) of this section, appear in that order on the face of the periodic statement;

(2) The charges and credits required to be disclosed under paragraph (b)(2) and (3) of this section, if not itemized on the statement, are disclosed on separate slips which identify each charge and credit, and show the dates and amounts thereof;

(3) The disclosures required by paragraph (b)(4), (5), (6), and (8) of this section appear on the face of a single supplemental statement;

(4) The face of the periodic statement states the following, as applicable, in type size consistent with the requirements of § 226.6(b): "Notice: See reverse side for important information" or "Notice: See accompanying statement (statements) for important account information;" and

(5) The disclosures are not separated so as to confuse or mislead the customer or obscure or detract attention from the information required to be disclosed.

(d) *Change in terms.* If any change is to be made in terms previously disclosed to the customer, the creditor shall give the customer written disclosure of such proposed change not less than 30 days prior to the effective date of such change or 30 days prior to the beginning of the billing cycle within which such change

will become effective, whichever is the earlier date.

(e) *Open end accounts existing on July 1, 1969.* In the case of any open end credit account in existence on July 1, 1969, the items described in paragraph (a) of this section, to the extent applicable, shall be disclosed in a notice mailed or delivered to the customer not later than July 31, 1969.

§ 226.8 Credit other than open end—specific disclosures.

(a) *General rule.* Any creditor when extending other than open end credit shall, to the extent applicable, make the disclosures required by this section. Except as provided in paragraphs (g) and (h) of this section, such disclosures shall be made before the transaction is consummated. The disclosures shall be made on either—

(1) The face of the note or other instrument evidencing the obligation; or
(2) The face of a separate statement identifying the transaction, no smaller in paper size than the note or other instrument evidencing the obligation.

(b) *Credit sales.* In the case of a credit sale, in addition to the items required to be disclosed under paragraph (d) of this section, the following items, as applicable, shall be disclosed:

(1) The cash price of the property or service purchased, using the term "cash price."

(2) The downpayment, consisting of all amounts to be credited against the cash price as downpayment using, as applicable, the term "total downpayment," and itemized as to downpayment in money using the term "cash downpayment," and downpayment in property, using the term "trade-in."

(3) The difference between the amounts described in subparagraphs (1) and (2) of this paragraph using the term "unpaid balance of cash price."

(4) All charges, individually itemized, which are included in the amount financed but which are not part of the finance charge, using the term "other charges" for the total.

(5) the sum of (3) and (4) using the term "unpaid balance."

(6) Any amounts required to be deducted under paragraph (e) of this section using, as applicable, the terms "prepaid finance charge" and "required deposit balance," and the total of such items using the term "total prepaid finance charge and required deposit balance."

(7) The difference between (5) and (6) using the term "amount financed."

(8) Except in the case of a sale of a dwelling,

(i) The total amount of the finance charge, with description of each amount included, using the term "total finance charge,"

(ii) The sum of (1), (4), and (8)(i) using the term "time sale price," and

(iii) The sum of (5) and (8)(i) (equal to the total amount of all payments) using the term "time balance."

(c) *Loans and other nonsale credit.* In the case of a loan or extension of

credit which is not a credit sale, in addition to the items required to be disclosed under paragraph (d) of this section, the following items, as applicable, shall be disclosed:

(1) The amount of the loan or other credit extended using the term "amount of loan" or "amount of credit," as applicable.

(2) Any amounts required to be deducted under paragraph (e) of this section using, as applicable, the terms "prepaid finance charge" and "required deposit balance," and the total of such items using the term "total prepaid finance charge and required deposit balance."

(3) The difference between (1) and (2) using the term, "available credit."

(4) All charges individually itemized and described which are to be included in the amount financed, but which are not part of the finance charge, using the term "other charges" for the total.

(5) The sum of (3) and (4), using the term "amount financed."

(6) Except in the case of a loan secured by a first lien or equivalent security interest on a dwelling and made to finance the purchase of that dwelling,

(i) The total amount of the finance charge, with description of each amount included, using the term "total finance charge," and

(ii) The sum of (1), (4), and (6)(i), (equals total amount of all payments) using the term "time loan balance."

(d) *Additional disclosures in sale and nonsale credit.* In any transaction subject to this section, in addition to the items required to be disclosed under paragraphs (b) and (c) of this section, the following items, as applicable, shall be disclosed:

(1) The finance charge expressed as an annual percentage rate, using the term "annual percentage rate of finance charge," except in the case of a finance charge—

(i) Which does not exceed \$5 and is applicable to an amount financed not exceeding \$75, or

(ii) Which does not exceed \$7.50 and is applicable to an amount financed exceeding \$75.

A creditor may not divide an extension of consumer credit into two or more transactions to avoid the disclosure of an annual percentage rate.

(2) The number, amount, and due dates or periods of payments scheduled to repay the indebtedness. If a final payment is more than one and one-half times the amount of regularly scheduled equal payments, the creditor shall identify the amount of the final payment by the term "balloon final payment" and shall state the conditions, if any, under which that payment may be refinanced if not paid when due.

(3) The default, delinquency, or similar charges payable in the event of late payments.

(4) A description of any security interest held or to be retained or acquired by the creditor in connection with the extension of credit, and a clear identifi-

cation¹⁰ of the property to which the security interest relates. If after-acquired property will be subject to the security interest, this fact shall be stated. If other or future indebtedness is or may be secured by any such property, this fact shall be clearly set forth.

(5) A description of any penalty charge for prepayment of the principal of the obligation that may be imposed by the creditor or his assignee with an explanation of the manner in which such penalty may be computed, and conditions under which it may be imposed.

(6) If the obligation includes a finance charge, identification of the method of computing the unearned portion of the finance charge and a statement of the amount of any fixed or other charge that may be deducted from the amount of any rebate that will be credited to the obligation or refunded to the customer in the event of prepayment.

(e) *Finance charge payable separately or withheld; required deposit balances.* In determining the amount financed, to the extent any finance charge is payable separately, in cash or otherwise, to the creditor or, with the creditor's knowledge, to another person, or is withheld by the creditor from the proceeds of the credit extended,¹¹ and to the extent any deposit balance other than an escrow account under § 226.4(b) is required¹² as a condition of the extension of credit, an equivalent amount shall—

(1) In a credit sale, be deducted as provided in paragraph (b)(6) of this section;

(2) In other extensions of credit, be deducted as provided in paragraph (c)(2) of this section.

(f) *First lien to finance construction of dwelling.* In any case where a security interest is to be retained or acquired by a creditor in connection with the financing of the initial construction of a dwelling, or in connection with a previously committed loan to satisfy that construction loan and provide permanent financing of that dwelling, whether or not the customer previously owned the land on which that dwelling is to be constructed, such security interest shall be considered a first lien against that dwelling to finance the purchase of that dwelling.

(g) *Orders by mail, telephone, or other communication.* If a creditor receives a purchase order or a request for an extension of credit by mail, telephone, or written communication without personal solicitation, and (1) in the case of credit sales, the cash price, the downpayment, the finance charge, the time sale

price, the annual percentage rate, and the number, frequency, and amount of payments are set forth in the creditor's current catalog or other printed material distributed to the public, or (2) in the case of loans or other extensions of credit, the amount of the loan, the finance charge, the time loan balance, the number, frequency, and amount of payments, and the annual percentage rate for each representative amount or range of credit are set forth in the creditor's printed material distributed to the public, in the contract of loan, or in other printed material delivered to the customer, then the disclosures required under this section may be made any time not later than the date the first payment is due.

(h) *Series of sales.* If a credit sale is one of a series of transactions made pursuant to an agreement providing for the addition of the amount financed plus the finance charge for the current sale to an existing outstanding balance, and (1) the customer has approved in writing both the annual percentage rate or rates and the method of computing the finance charge or charges, and (2) the creditor retains no security interest in any property as to which he has received payments aggregating the amount of the sale price including any finance charges attributable thereto, then the disclosures required under this section for the current sale may be made at any time not later than the date the first payment for that sale is due. For the purposes of this paragraph, in the case of items purchased on different dates, the first purchased shall be deemed first paid for, and in the case of items purchased on the same date, the lowest priced shall be deemed first paid for.

(i) *Advances under loan commitments.* If a loan is one of a series of loans made pursuant to a written agreement under which a creditor is committed to extend a specified amount of credit to a customer, and the customer has approved in writing the annual percentage rate or rates, the method of computing the finance charge or charges, and any other terms, the agreement shall be considered a transaction, and the disclosures required under this section need be made only at the time of consummation of the agreement.

(j) *Refinancing, consolidating, or increasing.* Any extension of credit with respect to refinancing, consolidating, or increasing an existing obligation shall be considered a new transaction subject to the disclosure requirements of this part. For purposes of such disclosure, if any unearned portion of the finance charge is not credited to the existing obligation, it shall be added to the new finance charge and shall not be included in the new amount financed.

(k) *Deferrals or extensions.* If the creditor defers or extends payment under an existing obligation and imposes a finance charge for the period of deferral or extension, the creditor shall disclose to the customer at the time of the deferral or extension—

- (1) The amount deferred or extended;
- (2) The date to which payment is deferred or extended; and

(3) The amount of the finance charge for the deferral or extension.

(l) *Series of single payment obligations.* Any extension of credit involving a series of single payment obligations shall be considered a single transaction subject to the disclosure requirements of this section.

(m) *Permissible periodic statements.* If a creditor transmits a periodic billing statement other than a delinquency notice, payment coupon book, or payment passbook, in connection with an extension of credit made on or after July 1, 1969, it shall be in a form which the customer may retain and shall be subject to the following requirements:

(1) Such statement shall set forth the following items to the extent applicable.

(i) The outstanding balance in the account at the beginning of the billing cycle using the term "previous balance".

(ii) The amount, date, and type of each extension of credit during the billing cycle and, unless previously furnished, a brief identification¹³ of any goods or services purchased, and the amount of any other charge not part of the finance charge.

(iii) Each amount credited to the account during the billing cycle for payments, returns, rebates of finance charges, and adjustments, using appropriate descriptive terminology and, unless previously furnished, a brief identification¹⁴ of each.

(iv) The amount of any finance charge, using the term "finance charge," added to the account during the billing cycle, itemized and identified to show the amount of the balance on which imposed.

(v) The annual percentage rate of the finance charge as of the close of the billing cycle, using the term "annual percentage rate of finance charge."

(vi) The outstanding balance in the account at the end of the billing cycle, using the term "new balance," accompanied by the statement, "pay this amount before ----- to avoid additional finance charges," or a statement of the same meaning, if that is the case.

(2) Such statement need contain only the following, to the extent applicable, if it relates only to a single transaction, all required disclosures have been made, and nothing has occurred since the consummation of the transaction to change the terms originally disclosed:

(i) The annual percentage rate of the total finance charge using the term "annual percentage rate of finance charge."

(ii) The date by which, or the period (if any) within which, payment must be made in order to avoid additional finance charges or other charges.

(3) If disclosures are made pursuant to subparagraph (1) of this paragraph, they may be made on the periodic billing statement and its reverse side, or on the

¹³ Identification may be made on an accompanying slip or by symbol relating to an identification list printed on the statement.

¹⁴ Identification may be made on an accompanying slip or by symbol relating to an identification list printed on the statement.

¹⁰ An identification of the property sufficient to satisfy the requirements of the then current Uniform Commercial Code promulgated by the National Conference of Commissioners on Uniform State Laws will satisfy this requirement.

¹¹ Finance charges deducted as provided by this paragraph shall, nevertheless, be included in determining the finance charge under § 226.4.

¹² A deposit balance which was in existence more than 15 days prior to the extension of credit is not considered a required deposit balance for the purpose of this paragraph, except to the extent the creditor requires the customer to increase that balance.

periodic billing statement supplemented by separate forms provided they are enclosed together and delivered to the customer at the same time, and further provided that—

(i) The disclosure required by subparagraph (1) (i), the respective totals of the amounts required to be disclosed under subparagraphs (1) (ii), (iii), and (iv) and the disclosure required by subparagraph (1) (vi), appear in that order on the face of the periodic billing statement;

(ii) The disclosures required by subparagraph (1) (iv) and (v) appear on the face of single supplemental statement;

(iii) The face of the periodic statement states the following, as applicable, in type size consistent with the requirements of § 226.6(b); "NOTICE: See reverse side for important information" or "NOTICE: See accompanying statement (statements) for important account information"; and

(iv) The disclosures are not separated so as to confuse or mislead the customer or obscure or detract attention from the information required to be disclosed.

(n) *Charge for delaying payment.* Except as provided under § 226.3(d), the amount of any discount allowed for payment of an obligation on or before a specified date, or charge for delaying payment after a specified date, shall be disclosed on the billing statement as a finance charge imposed on the least amount payable in satisfaction of the obligation (amount financed) for the period of time between the specified date and the due date of the obligation, or in the absence of a designated due date, the date the billing cycle ends. Except as provided in paragraph (d) (1) of this section, each such billing statement shall, in addition to stating the amount of that "finance charge," using that term, state the "annual percentage rate of finance charge," using that term, as a percentage accurate to the nearest hundredth of 1 percent, determined by (1) dividing the amount of the finance charge by the amount financed; (2) dividing the quotient so obtained by the number of days between the specified date and the due date of the obligation, or in the absence of a designated due date, the date the billing cycle ends; and (3) multiplying the quotient so obtained by 360. (For example, a \$1,000 purchase of grain, subject to terms of 2 percent/10 days, net 30 days, results in a "finance charge" of \$20 and an amount financed of \$980 for a period of 20 days. The "annual percentage rate of finance charge" is 36.73 percent which may be rounded to 36.75 percent or 36¾ percent.

§ 226.9 Right to rescind certain transactions.

(a) *General rule.* Except in the creation or retention of a first lien or equivalent security interest against a residence to finance the acquisition of that residence, in the case of any credit transaction in which a security interest is or will be retained or acquired in any real property which is used or is expected to be used as the residence of the customer,

the customer shall have the right to rescind that transaction until midnight of the third business day¹⁵ following the consummation of that transaction or the delivery of the disclosures required under this section and all other material disclosures required under this part, whichever is later, by notifying the creditor by mail, telegram, or other writing of his intention to do so. Where mail is used, notification shall be considered given at the time of mailing; when telegram is used, notification shall be considered given at the time of filing; and notification by other writing shall be considered given at the time delivered to the creditor's designated place of business.

(b) *Disclosure; opportunity to rescind.* In addition to all other disclosures required by this part, the creditor shall clearly and conspicuously disclose to the customer the customer's right of rescission by the following notice which shall be furnished in duplicate to the customer and printed in type which is not less than 12-point roman boldface capital letters and numerals on the face of the disclosure statement, the document creating the obligation, or on any other document which also identifies the transaction to which it relates:

NOTICE TO CUSTOMER:

YOU HAVE A LEGAL RIGHT TO CANCEL THIS TRANSACTION FOR ANY REASON WITHOUT ANY PENALTY OR OBLIGATION AND VOID ANY LIEN, MORTGAGE, OR OTHER SECURITY INTEREST TO WHICH YOUR HOME IS SUBJECT BY REASON OF THIS TRANSACTION, AND RECEIVE A REFUND OF ANY DOWNPAYMENT OR OTHER CONSIDERATION BY NOTIFYING:

----- AT -----
(Name of creditor) (Address of creditor's
----- place of business)
OF SUCH CANCELLATION

BY MAIL OR TELEGRAM SENT NOT LATER THAN MIDNIGHT OF ----- OR BY

(Date)
ANY OTHER FORM OF WRITTEN NOTICE IDENTIFYING THE TRANSACTION DELIVERED TO THAT ADDRESS NOT LATER THAN THAT TIME. IF YOU DECIDE TO CANCEL, YOU MAY USE THIS NOTICE FOR THAT PURPOSE BY DATING AND SIGNING BELOW. FOR YOUR PROTECTION, THE USE OF REGISTERED OR CERTIFIED MAIL WITH RETURN RECEIPT REQUESTED IS SUGGESTED.

I HEREBY CANCEL THIS TRANSACTION.

(Customer's signature)

(Date)

(c) *Delay of performance.* The creditor shall not disburse any money other than in escrow, make any deliveries, make any physical changes in the property of the customer, or perform any work or service for the customer until he has reasonably satisfied himself that the customer has not exercised his right of rescission.

(d) *Nature of security interest.* For the purposes of this section any lien upon a residence in favor of a creditor, vendor,

¹⁵ For the purposes of this section, a business day is any calendar day except Sunday, New Year's Day, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Veterans' Day, Thanksgiving, and Christmas.

contractor, subcontractor, supplier of material or services, or any of their employees, that may result as a consequence of agreement of the parties, delivery of material, work performed, or services rendered pursuant to a transaction shall be regarded as a security interest retained or acquired in real property.

(e) *Effect of rescission.* When a customer exercises his right to rescind under paragraph (a) of this section, he is not liable for any finance or other charge, and any security interest becomes void upon such a rescission. Within 10 days after receipt of a notice of rescission, the creditor shall return to the customer any money or property given as earnest money, downpayment, or otherwise, and shall take any action necessary or appropriate to reflect the termination of any security interest created under the transaction. If the creditor has delivered any property to the customer, the customer may retain possession of it. Upon the performance of the creditor's obligations under this section, the customer shall tender the property to the creditor, except that if return of the property in kind would be impracticable or inequitable, the customer shall tender its reasonable value. Tender shall be made at the location of the property or at the residence of the customer, at the option of the customer. If the creditor does not take possession of the property within 10 days after tender by the customer, ownership of the property vests in the customer without obligation on his part to pay for it.

(f) *Waiver of right of rescission.* If (1) the customer has determined that an extension of credit must be obtained, (2) the creditor will not or cannot grant the extension of credit without retaining or acquiring a security interest in the residence of the customer, and (3) a delay of 3 business days in performance of the creditor's obligation under the transaction will jeopardize the peace of mind, welfare, health, or safety of natural persons or endanger property which the customer owns or for which he is responsible, the customer may modify or waive the right of rescission to which he is entitled under this section by furnishing the creditor a separate dated and signed personal statement describing the situation requiring immediate remedy, and modifying or waiving his right of rescission.

(g) *First lien to construct residence.* In any case where a security interest is to be retained or acquired by a creditor in connection with the financing of the initial construction of the residence of the customer, or in connection with a previously committed loan to satisfy that construction loan and provide permanent financing of that residence, whether or not the customer previously owned the land on which that residence is to be constructed, such security interest shall be considered a first lien against that residence to finance the acquisition of that residence.

§ 226.10 Advertising credit terms.

(a) *General rule.* No advertisement to aid, promote, or assist directly or in-

directly any extension of credit may state—

(1) That a specific periodic credit amount or installment amount can be arranged, unless the creditor usually and customarily arranges credit payments or installments for that period and in that amount;

(2) That a specified downpayment will be accepted in connection with any extension of credit, unless the creditor usually and customarily arranges downpayments in that amount; or

(3) Any credit terms less conspicuously or with less emphasis than any other credit terms. For this purpose, cash price is not a credit term.

(b) *Catalogs.* If a catalog or other multiple-page advertisement sets forth the disclosures required by this section in a credit terms table, such catalog or multiple-page advertisement shall be considered a single advertisement provided:

(1) The table and the disclosures made therein are set forth clearly and conspicuously, and

(2) Any statement of credit terms appearing in any place other than in the credit terms table clearly and conspicuously refers to the page or pages on which that table appears, unless that statement discloses all of the credit terms required to be stated under this section.

(c) *Advertising of open end credit.* No advertisement to aid, promote, or assist directly or indirectly the extension of open end credit may set forth any of the terms described in paragraph (a) of § 226.7, the Comparative Index of Credit Cost, or that no downpayment, a specified downpayment, or a specified periodic payment is required unless it also clearly and conspicuously sets forth all the following items in terminology consistent with the requirements of § 226.7:

(1) The time period, if any, within which any credit extended may be repaid without incurring a finance charge.

(2) The method of determining the balance upon which a finance charge may be imposed.

(3) The method of determining the amount of the finance charge, including the determination of any minimum, fixed, check service, activity, or similar charge, imposed as a finance charge.

(4) Where one or more periodic rates may be used to compute the finance charge, each such rate, the range of balances to which it is applicable, and the corresponding annual percentage rate determined by multiplying the periodic rate by the number of billing cycles in a year.

(5) The conditions under which any other charges may be imposed, and the method by which they will be determined.

(d) *Advertising credit other than open end.* No advertisement to aid, promote, or assist directly or indirectly any credit

sales including the sale of residential real estate, loan, or other extension of credit, other than open end credit, subject to the provisions of this part, shall state:

(1) The rate of a finance charge unless it also states the rate of that charge expressed as an "annual percentage rate," using that term;

(2) The amount of the downpayment or that no downpayment is required, the amount of any installment payment, the dollar amount of any finance charge, or the number of installments or the period of repayment, unless it states all of the following items in terminology consistent with the requirements of § 226.8:

(i) The cash price or the amount of the loan, as applicable.

(ii) The amount of the downpayment or that no downpayment is required.

(iii) The number, amount, and due dates or period of payments scheduled to repay the indebtedness if the credit is extended.

(iv) The rate of the finance charge expressed as an annual percentage rate.

(v) Except in the case of the sale of a dwelling or a purchase money loan secured by a first lien on a dwelling, the time sale price or time loan balance, as appropriate.

§ 226.11 Calculation of annual percentage rate.

(a) *General rule.* The annual percentage rate applicable to any extension of credit, other than open end credit, shall be determined as that nominal annual percentage rate which will yield a sum equal to the amount of the finance charge when it is applied periodically to the unpaid balances of the amount financed, calculated according to the actuarial method of allocating payments made on a debt between the amount financed and the amount of the finance charge, pursuant to which a payment which exceeds the amount of the finance charge is applied first to the accumulated finance charge and the balance is applied to the unpaid amount financed. If the payment is not sufficient to pay the finance charge for the period, or if there is no payment, the amount by which the finance charge for the period exceeds the payment becomes a part of the accumulated finance charge.

(b) *Charts and tables.* A creditor may use a chart or table for the purpose of determining the annual percentage rate provided:

(1) It is prepared by the appropriate adaptation of the formula in paragraph (e) or (f) of this section, as applicable;

(2) It bears the name and address of the person responsible for its production and a serial number which shall be the same for each chart or table so produced with like numerical content and configuration;

(3) All dollar amounts and percentage figures are accurate to the nearest two decimal places; and

(4) It permits, except as provided in subparagraph (5) of this paragraph, determination of the annual percentage rate to the nearest one-eighth of 1 percent up to and including 2 percent and the nearest one-quarter of 1 percent above 2 percent where the range of rates covered by the chart or table includes such rates.

(5) In addition to the requirements of subparagraphs (1), (2), and (3) of this paragraph, it is prepared to show the annual percentage rate on the median balance within each range where a creditor imposes the same finance charge for all balances within a specified range and requires payments at equal intervals and in equal amounts, except for a final payment which may be for a lesser amount, subject to the following requirements:

(i) If the annual percentage rate determined on the median balance understates the annual percentage rate determined on the lowest balance in that range by more than 8 percent of the rate on the lowest balance, then the annual percentage rate for that range shall be computed upon any balance lower than the median balance within that range so that any understatement will not exceed 8 percent of the rate on the lowest balance, and

(ii) The annual percentage rates to be used in making the determination required under (i) of this subparagraph shall be computed in accordance with paragraph (e)(1)(i) of this section, where all payments are equal and in accordance with paragraph (e)(1)(ii) of this section where the final payment is less than another payment.

(c) *Time factors.* For the purposes of utilizing the formulas set forth in paragraphs (e), (f), and (g) of this section, the common interval to be used in computations is a month, semimonth, week, or day, whichever is the largest, and is evenly divisible into the smallest interval between advances or between payments. For this purpose, each calendar month shall be considered an equal period of time. The following shall be applicable in the determination of the common interval:

(1) The term of the transaction commences on the date of its consummation, except that if the finance charge does not begin to accrue until a later date, the creditor may, at his option, consider the term of the transaction as beginning on the date the finance charge begins to accrue.

(2) The intervals between date of consummation and date of first advance thereafter or date of first payment thereafter are intervals for the purposes of this paragraph.

(3) If variations from monthly intervals are less than 11 days, from semi-monthly intervals are less than 6 days, and from weekly intervals are less than 3 days, such intervals may be considered as whole intervals: *Provided*, That if

such variations occur in more than 20 percent of the number of intervals in a transaction, then the common interval shall be the next lowest of a semimonth, week, or day, so as to reduce the frequency of variations within the 20 percent maximum limitation.

(d) *Symbols.* Except where otherwise provided in this section, the following definitions of symbols apply:

U_j = The amount of credit advanced directly or indirectly at the end of the j th interval.

q_j = The number of intervals from the date of consummation to the j th advance.

m = The number of advances made by the creditor.

P_j = The amount of the payment made at the end of the j th interval.

v_j = The number of intervals from the date of consummation to the j th payment.

n = The number of payments.

k = The number of intervals in a year.

i = Rate of finance charge per interval.

R = Annual percentage rate expressed as a decimal number which shall be converted into a percentage rate by moving the decimal point two places to the right.

(e) *Installment transactions.* The following relationship among the terms of a credit transaction applies to all transactions except those involving a single advance by the creditor and a single payment by the customer:

$$\frac{U_1}{(1+i)^{q_1}} + \frac{U_2}{(1+i)^{q_2}} + \dots + \frac{U_m}{(1+i)^{q_m}} = \frac{P_1}{(1+i)^{v_1}} + \frac{P_2}{(1+i)^{v_2}} + \dots + \frac{P_n}{(1+i)^{v_n}}$$

R is determined as follows:

If intervals are months, $R=12i$.

If intervals are semi-months, $R=24i$.

If intervals are weeks, $R=52i$.

If intervals are days, $R=365i$.

(1) *Transactions involving a single advance by creditor.* (i) Payments at equal intervals, even amounts:

Assume creditor advances \$1,000, and customer is to make 24 equal monthly payments of \$47.50 starting 1 month from date of consummation.

Intervals are months.

$U_1 = \$1,000$ $q_1 = 0$

$P_1 = \$47.50$ $v_1 = 1$

$P_2 = \$47.50$ $v_2 = 2$

\dots \dots

$P_{24} = \$47.50$ $v_{24} = 24$

The equation is adapted as follows:

$$1,000 = \frac{47.50}{(1+i)^1} + \frac{47.50}{(1+i)^2} + \dots + \frac{47.50}{(1+i)^{24}}$$

$i = 0.01076$.

$R = 12i = 12 \times 0.01076 = 0.1291$ or 12.91%.

(ii) Payments at equal intervals, uneven amounts:

Assume creditor advances \$1,000, and customer is to make three payments of \$200 each at the end of the third, sixth, and ninth months and a \$600 payment at the end of 1 year from the date of consummation.

Intervals are months.

$U_1 = \$1,000$ $q_1 = 0$

$P_1 = \$200$ $v_1 = 3$

$P_2 = \$200$ $v_2 = 6$

$P_3 = \$200$ $v_3 = 9$

$P_4 = \$600$ $v_4 = 12$

The equation is adapted as follows:

$$1,000 = \frac{200}{(1+i)^3} + \frac{200}{(1+i)^6} + \frac{200}{(1+i)^9} + \frac{600}{(1+i)^{12}}$$

$i = 0.02075$.

$R = 12i = 12 \times 0.02075 = 0.2491$ or 24.91%.

(iii) Payments at unequal intervals, even amounts:

Assume creditor advances \$1,000, customer is to make four payments of \$290 each at the end of second, sixth, eighth, and 12th months after consummation.

Intervals are months.

$U_1 = \$1,000$ $q_1 = 0$

$P_1 = \$290$ $v_1 = 2$

$P_2 = \$290$ $v_2 = 6$

$P_3 = \$290$ $v_3 = 8$

$P_4 = \$290$ $v_4 = 12$

The equation is adapted as follows:

$$1,000 = \frac{290}{(1+i)^2} + \frac{290}{(1+i)^6} + \frac{290}{(1+i)^8} + \frac{290}{(1+i)^{12}}$$

$i = 0.021873$.

$R = 12i = 12 \times 0.021873 = 0.26247$ or 26.25%.

(iv) Payments at unequal intervals, unequal amounts:

Assume creditor advances \$1,000, and customer is to make payments as follows: \$200 at end of second month, \$300 at end of fifth month, \$350 at end of eighth month, and \$300 at end of 12th month.

Intervals are months.

$U_1 = \$1,000$ $q_1 = 0$

$P_1 = \$200$ $v_1 = 2$

$P_2 = \$300$ $v_2 = 5$

$P_3 = \$350$ $v_3 = 8$

$P_4 = \$300$ $v_4 = 12$

The equation is adapted as follows:

$$1,000 = \frac{200}{(1+i)^2} + \frac{300}{(1+i)^5} + \frac{350}{(1+i)^8} + \frac{300}{(1+i)^{12}}$$

$i = 0.019886$.

$R = 12i = 12 \times 0.019886 = 0.23864$ or 23.86%.

(v) Payment intervals greater than 1 year:

Assume creditor advances \$1,000, and customer is to make two payments of \$550 each at the end of the 18th and 36th months from the date of consummation.

Intervals are months.

$U_1 = \$1,000$ $q_1 = 0$

$P_1 = \$550$ $v_1 = 18$

$P_2 = \$550$ $v_2 = 36$

The equation is adapted as follows:

$$1,000 = \frac{550}{(1+i)^{18}} + \frac{550}{(1+i)^{36}}$$

$i = 0.003555$.

$R = 12i = 12 \times 0.003555 = 0.04266$ or 4.27%.

(2) *Transaction involving multiple advances by creditors.*

Assume a college loan in which a creditor plans to make eight advances to the borrower: \$1,800 each September 1 for 4 years

and \$1,000 each January 1 for 4 years. The borrower is to make 50 regular equal monthly payments of \$240 beginning July 1 prior to the first advance in September.

Intervals are all months.

$U_1 = \$1,800$ $q_1 = 2$

$U_2 = \$1,000$ $q_2 = 6$

$U_3 = \$1,800$ $q_3 = 14$

$U_4 = \$1,000$ $q_4 = 18$

$U_5 = \$1,800$ $q_5 = 26$

$U_6 = \$1,000$ $q_6 = 30$

$U_7 = \$1,800$ $q_7 = 38$

$U_8 = \$1,000$ $q_8 = 42$

$P_1 = \$240$ $v_1 = 0$

$P_2 = \$240$ $v_2 = 1$

$P_3 = \$240$ $v_3 = 2$

\dots \dots

$P_{50} = \$240$ $v_{50} = 49$

The equation is applied as follows:

$$\frac{1,800}{(1+i)^2} + \frac{1,000}{(1+i)^6} + \frac{1,800}{(1+i)^{14}} + \frac{1,000}{(1+i)^{18}} + \frac{1,800}{(1+i)^{26}} + \frac{1,000}{(1+i)^{30}} + \frac{1,800}{(1+i)^{38}} + \frac{1,000}{(1+i)^{42}} = 240 + \frac{240}{(1+i)^1} + \frac{240}{(1+i)^2} + \dots + \frac{240}{(1+i)^{49}}$$

$i = 0.02522$.

$R = 12i = 12 \times 0.02522 = 0.30265$ or 30.27%.

(3) *Transactions involving required deposit balances.* (i) Required constant deposit balance:

Assume creditor advances \$1,000 and requires that the customer maintain a deposit balance of \$200 during the 12-month loan. The customer is to make 12 equal monthly payments of \$90 starting 1 month from date of consummation. The deposit balance will be released to the customer upon final payment of the advance.

Intervals are all months.

$U_1 = \$800$ $q_1 = 0$

$U_2 = \$200$ $q_2 = 12$

$P_1 = \$90$ $v_1 = 1$

$P_2 = \$90$ $v_2 = 2$

\dots \dots

$P_{12} = \$90$ $v_{12} = 12$

The equation is applied as follows:

$$800 + \frac{200}{(1+i)^{12}} = \frac{90}{(1+i)^1} + \frac{90}{(1+i)^2} + \dots + \frac{90}{(1+i)^{12}}$$

$i = 0.018524$.

$R = 12i = 12 \times 0.018524 = 0.22230$ or 22.23%.

(ii) Required variable deposit balance:

Assume creditor advances \$5,000 and requires a \$1,000 deposit balance which is to be released in amounts of \$500 per quarter beginning at the end of the first quarter immediately following consummation. Customer is to make 6 equal monthly payments of \$900 beginning 1 month following consummation.

Intervals are all months.

$U_1 = \$4,000$ $q_1 = 0$

$U_2 = \$500$ $q_2 = 3$

$U_3 = \$500$ $q_3 = 6$

$P_1 = \$900$ $v_1 = 1$

$P_2 = \$900$ $v_2 = 2$

\dots \dots

$P_{12} = \$900$ $v_{12} = 12$

The equation is applied as follows:

$$4,000 + \frac{500}{(1+i)^3} + \frac{500}{(1+i)^6} = \frac{900}{(1+i)^1} + \frac{900}{(1+i)^2} + \dots + \frac{900}{(1+i)^{12}}$$

$$i=0.029932.$$

$$R=12i=12 \times 0.029932=0.35919 \text{ or } 35.92\%.$$

(iii) Transaction where customer is required to make periodic deposits into a restricted savings account:

Assume creditor advances \$1,000, and customer is to make 12 equal monthly payments of \$110, \$90 of which is to be applied to repayment of the advance and the finance charge and \$20 of which is to be deposited into a savings account. The savings account will be released to the customer upon final payment of the advance.

Intervals are months.

$$\begin{array}{ll} U_1=\$1,000 & q_1=0 \\ U_2=\$240 & q_2=12 \\ P_1=\$110 & v_1=1 \\ P_2=\$110 & v_2=2 \\ \dots & \dots \\ P_{12}=\$110 & v_{12}=12 \end{array}$$

The equation is applied as follows:

$$1,000 + \frac{240}{(1+i)^{12}} = \frac{110}{(1+i)^1} + \frac{110}{(1+i)^2} + \dots + \frac{110}{(1+i)^{12}}$$

$$i=0.014822.$$

$$R=12i=12 \times 0.014822=0.17787 \text{ or } 17.79\%.$$

(f) *Single advance and single payment transactions.* The following relationship among the terms of a credit transaction applies to those transactions involving a single advance by the creditor and a single payment by the customer:

$$R = \left(\frac{k}{v_1} \right) \left(\frac{P-U}{U} \right)$$

(1) Transactions with maturities of 12 months or less:

Assume creditor advances \$1,000, and customer agrees to make a single payment of \$1,100, 8 months from the date of consummation.

Intervals are months.

$$\begin{array}{ll} U_1=\$1,000 & q_1=0 \\ P_1=\$1,100 & v_1=8 \end{array}$$

The equation is applied as follows:

$$R = \left(\frac{12}{8} \right) \left(\frac{1,100-1,000}{1,000} \right)$$

$$R=0.1500 \text{ or } 15.00\%.$$

(2) Transactions with maturities of more than 12 months:

Assume creditor advances \$1,000, and customer is to make one payment of \$1,212.42, 17 months from date of consummation.

Intervals are months.

$$\begin{array}{ll} U_1=\$1,000 & q_1=0 \\ P_1=\$1,212.42 & v_1=17 \end{array}$$

The equation is applied as follows:

$$R = \left(\frac{12}{17} \right) \left(\frac{1,212.42-1,000}{1,000} \right)$$

$$R=0.1500 \text{ or } 15.00\%.$$

(g) *Approximation of annual percentage rate.* Creditors who qualify under the provisions of paragraph (b) (2) of § 226.5 may approximate the annual percentage rate by using the constant ratio method.

(1) The following is the relationship among the terms of a credit transaction

involving a single advance under the constant ratio method:

$$R' = \frac{\left(\frac{D}{U} \right)^k}{T_P}$$

(2) The following is the relationship among the terms of a credit transaction involving multiple advances under the constant ratio method:

$$R' = \frac{\left(\frac{D}{U} \right)^k}{T_P - T_U}$$

(3) For the purposes of this paragraph, the symbols set forth in paragraph (d) of this section shall apply, as applicable, as shall the following symbols:

R' = The approximate annual percentage rate expressed as a decimal number which shall be converted into a percentage rate by moving the decimal point two places to the right.

D = Finance charge in dollars.

T_P = The number of intervals from the date of consummation to the central point of the payments.

$$\begin{aligned} & P_1v_1 + P_2v_2 + \dots + P_nv_n \\ & \quad \quad \quad P_1 + P_2 + \dots + P_n \end{aligned}$$

T_P = The number of intervals from the date of consummation to the central point of the advances.

$$\begin{aligned} & U_1q_1 + U_2q_2 + \dots + U_mq_m \\ & \quad \quad \quad U_1 + U_2 + \dots + U_m \end{aligned}$$

(4) Transactions involving a single advance by creditor:

(i) Payments at equal intervals, even amounts:

The amount U is financed by 24 monthly payments of P each starting 1 month from date of consummation. The finance charge is D . T_P in the case of payments at equal intervals of even amounts, whether beginning one or more intervals after date of consummation, is determined by taking the average of the times to first and last payment. That is, $\frac{1+24}{2} = 12\frac{1}{2}$ months in this

$$\text{example so that } R' = \frac{\left(\frac{D}{U} \right)^{12}}{12\frac{1}{2}}. \text{ If } D \text{ were } \$140$$

and U were \$1,000, the result would be 0.1344 or 13.44%. The annual percentage rate determined by the actuarial method is 12.91%. The constant ratio method always overstates the annual percentage rate determined by the actuarial method in the case of single payments and payments at equal intervals of even amounts, the extent of overstatement being greater with higher rates of finance charge and longer terms of payment.

(ii) Single payment:

Assume creditor advances \$1,000 (amount financed), and customer is to make one payment of \$1,052.64, 8 months from date of consummation. The formula is applied as follows:

$$R' = \frac{\left(\frac{52.64}{1,000} \right)^{12}}{8} = 0.07896 \text{ or } 7.90\%$$

(iii) Payments irregular in amounts and/or intervals:

Assume creditor advances \$1,000 (amount financed), and customer is to repay \$1,120 in accordance with the schedule below. The weighted average time (T_P) in months is determined by computing column (3) and dividing its total by the total payments.

(1) Payment P_i	(2) Months until pay- ment v_i	(3) (1) x (2) $P_i v_i$
\$50	1	50
60	3	180
60	4	240
100	5	500
100	7	700
300	8	2400
300	10	3000
150	11	1650
1120		8720

Weighted average time (T_P) is

$$\frac{8720}{1120} = 7.79 \text{ months.}$$

$$R' = \frac{\left(\frac{120}{1,000} \right)^{12}}{7.79} = 0.18485 \text{ or } 18.49\%.$$

(5) Transactions involving multiple advances by creditor:

Assume transaction is consummated on April 15 under the terms of which creditor makes equal advances of \$900 on April 15, July 15, and November 15, and customer is to make 24 regular equal monthly payments of \$120 beginning May 15.

$$T_P \text{ measured from April 15} = \frac{1+24}{2}$$

$$= 12\frac{1}{2} \text{ months.}$$

T_U measured from April 15

$$\frac{900(0) + 900(3) + 900(7)}{2,700} = 3.33 \text{ months.}$$

$$R' = \frac{\left(\frac{180}{2,700} \right)^{12}}{12.50 - 3.33} = 0.0872 \text{ or } 8.72\%.$$

§ 226.12 Comparative Index of Credit Cost for open end credit.

(a) *General rule.* Any creditor who elects to disclose the Comparative Index of Credit Cost on open end credit accounts—

(1) Shall compute the Comparative Index of Credit Cost in accordance with paragraph (b) of this section;

(2) Shall recompute the Comparative Index of Credit Cost in accordance with paragraph (b) of this section based upon any new open end credit account terms to be adopted and shall disclose the new Comparative Index of Credit Cost in accordance with paragraph (c) (2) of this section concurrently with the notice required under § 226.7(b);

(3) Shall, when making such disclosure under the provisions of § 226.7 (a) (5) or (b) (7), make the disclosure to all open end credit account customers; and

(4) Shall not utilize such disclosure so as to contradict, mislead, confuse, obscure, or detract attention from the required disclosures.

(b) *Computation of Comparative Index of Credit Cost.* The Comparative Index of Credit Cost shall be computed by applying the terms of the creditor's open end credit account plan to the following hypothetical factors:

(1) A single transaction in the amount of \$100 is debited on the first day of a billing cycle to an open end credit account having no previous balance.

(2) The creditor shall impose all finance charges including periodic, fixed, minimum or other charges applicable to such account in amounts and on dates consistent with his policy of imposing such charges upon open end credit accounts.

(3) The exact amount of the required minimum periodic payment is paid in each subsequent and successive billing cycle until the amount of the single transaction, together with applicable finance charges, is paid in full. The creditor shall select and disclose a common payment date, which shall be the same relative date within each billing cycle, provided that in no event shall it be

prior to the 10th day of each subsequent billing cycle.

(4) The Comparative Index of Credit Cost shall be expressed and disclosed as a percentage accurate to the nearest hundredth of 1 percent and shall be determined by dividing the total amount of the finance charges imposed by the sum of the daily balances and multiplying the quotient so obtained by 360. For this purpose, each billing cycle shall be considered to have an equal number of days.

(c) *Form of disclosure.* (1) Any disclosure of the Comparative Index of Credit Cost shall be made in the form of the following statement:

Our Comparative Index of Credit Cost under the terms of our open end credit account plan is ----- percent per year, computed on the basis of a single transaction of \$100 debited on the first day of a billing cycle to an account having no previous balance, and paid in required minimum consecutive instalments on the ----- day of each succeeding billing cycle until the transaction and all finance charges are paid in full. The actual percentage cost of credit on

your account may be higher or lower depending on the dates and amounts of charges and payments.

(2) Any newly computed Comparative Index of Credit Cost shall be disclosed in the form of the statement prescribed in subparagraph (1) of this paragraph, except that the statement shall be preceded by the words "Effective as of -----,"

(Date)
with the words "will be" substituted for the word "is" in the second line of the statement.

§ 226.13 Exemption of certain State regulated transactions.

Pursuant to the provisions of section 123 of the Act, the Board has determined that the specified classes of transactions in the States designated in Supplement I to this part are exempt from the requirements of chapter 2 of the Act and the corresponding provisions of this part.

NOTE: Supplement I to be issued with the final regulations.

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